ICDT
International Centre for Democratic Transition

Sharing the Experiences of Visegrad Cooperation in the Western Balkans and the Eastern Neighbourhood Countries

Project Preparatory Study

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2 FOREWORD

Dear Reader,

What follows is a unique and above all timely attempt to take a comprehensive look at the Visegrad experience in order to analyze and summarize its positive examples and potential messages as well as some lessons learned that can then be projected toward two neighbouring regions of strategic importance not only for the Visegrad Group, but also for the European Union as a whole: namely the Western Balkans and the Eastern Neighbourhood. No systematic effort within the framework of one project to share these experiences has been made yet, while the deepening engagement – not to say enlargement – of the European Union, also the common home of the Visegrad Group, makes such an effort opportune indeed.

While bearing in mind the different socio-economic contexts and bases of development in these groups of countries, the common denominator and larger framework that nevertheless connects them – beyond the many historic links and geographic proximity – is the gravitational pull of European integration. Therefore, while the Visegrad experience is in the strict sense the theme and subject of the study, it is naturally interwoven with the EU as a point of reference.

In the Western Balkans, which officially includes Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia and Kosovo as under UNSCR 1244, the EU's regional approach is embodied in the framework of the Stabilization and Association Process (SAP), which also comprises official candidates for membership. In case of the Eastern Neighborhood, European integration has yet to mature to reach an advanced stage, but has recently been boosted by the EU's Eastern Partnership (EaP), which offers upgraded bilateral ties and more funding available for Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Among these countries four (Georgia, Ukraine, Azerbaijan, Moldova) form the GUAM Organization for Democracy and Development, a logical regional-institutional partner for the Visegrad countries and the original focus of this project, which had been developed before EaP was launched.

The general goal of this two-year project running November 2008–March 2010 is to contribute to strengthening the basis of democracy, partnership and regional cooperation in the partner regions. The specific objective is to share the political and sectoral experiences of theVisegrad

cooperation in the Western Balkans and the Eastern Partnership – among them GUAM – countries in order to support and advance cooperation in and among these regions by forging new links and projects that facilitate the resolution of common problems and the attainment of common objectives.

Core activities of the project are organized around four regional workshops in the partner regions (two each in the Eastern Neighbourhood and the Western Balkans) where representatives of relevant regional stakeholders from both target regions (such as GUAM Organization in case of the Eastern Neighbourhood and the Regional Cooperation Council in case of the Western Balkans and specialized regional institutions as applicable) participate, along with government and civil society experts and representatives of the EU and other relevant international organizations. Workshops are built around key topics, such as regional security and intergovernmental cooperation, economic cooperation, cooperation among civil societies and cross-border cooperation, with the applicable Visegrad experiences and lessons learned and European standards as cross-cutting themes. The outcome of the workshops is presented in thematic assessments that contain the summary of proceedings and lessons learned during the workshops, with special regard to the initiatives proposed to strengthen regional cooperation. The impact of the project will be summarized at a final conference, where a Final Study will also be presented to summarize the impact of the project. Finally, a web page linked to the project has been developed and launched under http://interregional.icdt.hu to publish and disseminate all relevant information based on the actual implementation of the project.

This study thus serves to lay the conceptual and intellectual groundwork for the project. Regarding its structure, it analyzes the Visegrad experience in six units: after a substantive introduction, four chapters follow as the main body of the study, with a comprehensive conclusion. Each unit contains also a brief analysis of the applicability of the particular segment of the Visegrad experience. The introduction outlines Visegrad history. Chapter One focuses on the structure of intergovernmental cooperation and the Visegrad cooperation's role in regional security. In Chapter Two we delve into how the Visegrad Group has fared within the EU while the economic aspects of Visegrad are analyzed in Chapter Three. The themes of civil society and cross border cooperation are discussed in Chapter Four. Finally, in the Conclusion, an elaborate analysis of the successes and lessons learned of Visegrad cooperation is presented, with special regard to the applicability of these experiences.

We hereby wish to thank our partners who contributed their precious expertise to this work. Last but not least, our heartfelt thanks goes to the donor of the project, the Norwegian-EEA Financial Mechanism for making this publication possible. The EEA and Norway Grants are the contribution from Iceland, Liechtenstein and Norway for the reduction of social and economic disparities within the European Economic Area (EEA). In the period 2004-2009, €1.23 billion in support was awarded to 1,250 individual projects, program funds run by central and local governments, research and academic institutions, non-governmental organizations and businesses in the 12 new EU member states, as well as Greece, Portugal and Spain. Norway provides around 97 percent of the total funding. The contributions of our donor has helped achieve

- *Solidarity - reduce social and economic disparities in Europe;*
- *Opportunity - support the new EU countries integrate into the European Economic Area;*
- *Cooperation - strengthen political and economic ties between Iceland, Liechtenstein and Norway and the 15 beneficiary states.*

Budapest, February 2010

3 THE MILESTONES OF THE VISEGRAD GROUP

Politicians and historians like to draw parallels. Often—when speaking of the Visegrad cooperation—they raise a parallel between this cooperation and the famous meeting of the Bohemian, Hungarian, and Polish kings in the town of Visegrád in 1335.1 We, however, do not find much in common between the two events, apart from the fact that the meetings both took place in the same location and that prominent representatives of the states were present at the meetings who expressed a common wish to live in peace. In fact, quite the contrary can be said of the two events, as there seem to be more differences than commonalities between the 14th century negotiations and those that started in the early 1990s and resulted in the formation of the Visegrad Group.

3.1 Better Go Together

In 1335 and 1336 the powerful sovereigns, Bohemian King John of Luxembourg, Hungarian King Charles I of Anjou, and Polish King Casimir III the Great, met to resolve territorial issues, division of power, and to prepare an alliance against the Princes of Austria and Styria. The reasons behind the meeting of Czech President Václav Havel, Hungarian Prime Minister József Antall, and Polish President Lech Wałęsa, after 656 years, were much more modest.

Czechoslovak President Václav Havel, aparticipant in the "second" meeting in Visegrád—when the Visegrad Group was formally established on 15 February 1991, described the reasons for the foundation of the group in the following way:

> ***In the early 1990s, after the historical changes and the fall of the Iron Curtain, the countries of Central Europe—Czechoslovakia, Hungary, and Poland—were faced with the emergence of another enormous task: To integrate our young democracies into European and trans-Atlantic structures. At that time, we embraced the Euro-American notion of democracy with two basic aims in mind: To strengthen our own democracies and to render impossible any return to totalitarianism. It was clear that we couldn't achieve such ambitious goals if our three countries were to compete***

[1] *For more on the 14th century meetings see Rácz, G.: The Congress of Visegrád.* **In:** *Rácz,G. (ed.), Visegrád 1335. Bratislava, 2009, pp. 17-29.*

with each other on the international stage. On the contrary, we could only reach our aims through close cooperation.[2]

These demanding tasks could be resolved step by step only thanks to a joint effort rising from common position determined by several historical factors. Or, in other words,

This did not, of course, happen by accident. History provided the foundations for cooperation between the Visegrad countries, and from the outset made connections between these countries both necessary and inevitable, not just because they are neighbors, but because of the power game that this proximity brings with it. Their history and their political situation were always somehow shared… Despite some small differences, our recent history is also a shared one. In the era of socialism, this common fate was linked to the fact that, under the rule of the Soviet Union, our image of the enemy became a collective one. It is no accident that during the change of the regime in 1989 these countries, which had just fought for their freedom, faced essentially the same problems.[3]

The former Czechoslovakia, Hungary, and Poland stood on the threshold of a new epoch in their history and their leaders understood very well that it would not be a bowl of cherries to actualize what was, at that time, the very popular slogan "the return to Europe".

In addition to problems with the transformation process, which turned out to be more difficult than one might expect, there were problems connected with security and with the development of international relations. Soviet troops were still deployed on the territories of the three countries, and the crackdown of the Soviet forces on civilians in Vilnius on 13 January 1991 brought fear,[4] regardless of the support that Western countries showed the emerging democracies.[5] To pull together seemed to the leaders—all former dissidents—not only useful but natural, too.

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[2] Havel, V.: The Visegrad Dream Still Relevant Today. In: Jagodziński, A. (ed.), The Visegrad Group – A Central European Constellation. E. Bratislava 2006, pp. 54-55.
[3] Göncz, A.: Visegrad Three, Visegrad Four. In: The Visegrad Group... , pp. 48-49.
[4] Correspondent of The New York Times Celestine Bohlen recorded the following words said by the member of the Hungarian Parliament Miklós Vásárhelyi: "Everybody is a bit afraid and very cautious...There is still plenty of Soviet military in Eastern Europe: for us, the objective is to make sure we get these troops out. You never know with the Russians. We have a very bad experience with these things." (Bohlen, C.: "Eastern Europe Treads Softly on the Baltic Issue." The New York Times, 24 January 24, 1991).
[5] North Atlantic Council statement, 21 August 1991. www.nato.int/cps/en/natolive/official_texts_23855.htm).

Feelings of solidarity and trust in this joint endeavor brought together Czechoslovak President Václav Havel, Hungarian Prime Minister József Antall, and Polish President Lech Wałęsa in the hall of the old royal palace in Visegrád on 15 February 1991, to sign and confirm the Declaration on Cooperation Between the Czech and Slovak Federal Republic, the Republic of Poland, and the Republic of Hungary in Striving for European Integration.

As Alexander Vondra, then the foreign policy advisor to Václav Havel, said, it was not only for historical reasons but also due to "technical" circumstances that the meeting took place in Visegrád, specifically in February 1990:

> ***The grand ceremonial signing in Visegrád had to wait until Lech Wałęsa became the Polish President, because without his signature the act of signing would have lacked an important dimension. It also had to wait until the organization of the meeting could be undertaken by the Hungarians, because the relatively freer conditions in Hungary in the late 1980s meant that after the Velvet Revolution of late 1989, they had perhaps the best prepared and most professional government, which worked hard to make sure the moment would leave its mark on history.***[6]

As for activities behind the scenes of the Visegrád summit, it was clear who would be the host and who would, therefore, invite the other parties. Géza Jeszenszky, the Hungarian foreign minister at the time, recalls that "it was at the Paris summit of the CSCE in November 1990 that the Prime Minister of Hungary, József Antall, invited the leaders of Poland and Czechoslovakia to Visegrád."[7]

Of course, one can find various answers to the questions of who, when, why and how, but the most important is the fact that the "summit in the frosty ruins"[8] *took place in the Visegrád royal palace in 1991 and gave way to the formation of a future regional alliance of states that were prepared to accept responsibility for the further development of Central Europe.*

3.2 "Proto-Visegrád"

Although the "Visegrád" element might seem—despite the strong historical parallels—to a large extent symbolic, it is no coincidence that the establishment of the cooperation involved these

[6] *Vondra, A.: Visegrad Cooperation: How Did It Start?* In: The Visegrad Group..., *p. 79.*
[7] *Jeszenszky, G.: The Origins and Enactment of the 'Visegrad Idea'.* In: The Visegrad Group... *p. 60.*
[8] *Grabiński, T., Morvay, P.:* The Summit in the Frosty Ruins: The Background of the 1991 Visegrad Meeting in: The Visegrad Group ..., p. 86.

same three countries. There are several reasons why the cooperation happened in this particular "constellation". The overlapping and interconnected histories of these Central European nations and especially the strong historical and cultural ties among their people made the composition of the future Visegrad Group more or less natural.

Located at a geopolitical crossroads, Central Europe has belonged throughout history to two spheres of influence—to that of the West (German/Austrian, western Christian) and that of the East (the Ottoman, orthodox Christian or the Soviet).[9] Although culturally rich, Central Europe was only seldom politically strong. The interconnected histories of its small nations were often very turbulent. Since the young nation-states struggled for independence, their statehood has been less continuous and more unstable than those of the Western democracies. Milan Kundera, in his famous 1984 essay on the Tragedy of Central Europe[10], concludes that "by virtue of its political system [it] is the East; by virtue of its cultural history it is the West".[11]

This region's 'tragedy' paradoxically brings the concept of Central Europe back into discourse and puts it back on the map.[12] This symbolic return preceded the actual return to Europe in 1989 and took the form of ever-increasing ties among the opposition movements in the region, even as early as the 1970s and 1980s. If Kundera claims that Central Europe's "creativity and its revolts suggest that it has not yet perished,"[13] it is exactly the common anti-communist revolts and civil unrest in the three Central European countries before 1989 that underpin the firm base of their future cooperation on an official level. In other words, the natural, civil ties of the opposition activists translated into official, state relations.

These ties among the opposition movements, strengthened by a common enemy, grew stronger during protests held in solidarity with reform attempts (and with the governments' crackdown on those protests) in other countries. The June 1956 uprising in Cegielski's factories in Poznań, the Hungarian revolution of 1956, the so-called Prague Spring of 1968 and its aftermath, the 1980

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[9] *Czesław Miłosz once described Central Europe as "place in the eastern orbit by force of arms by pacts between superpowers" (Miłosz, C.: Looking for a Center: On Poetry of Central Europe. Cross Currents, Vol. 1 (1982), pp. 1-11. http://quod.lib.umich.edu/c/crossc/).*

[10] *Kundera, M.: The Tragedy of Central Europe. The New York Review of Books, Vol. 31, No. 7, 26 April 1984, p. 33-38.*

[11] *Kundera claims the "real tragedy of Central Europe [...] is not Russia but Europe" as such (op. cit., p. 38).*

[12] *Hanley, S.: Realism in Politics Worries People (Interview with Czech Philosopher Václav Bělohradský). Central European Review, Vol. 2, No. 20, 22 May 2000,* http://www.cereview.org/00/20/interview20_belohradsky.html

[13] *The undelined phrase signifies Kundera's reference to the lyrics of the Polish anthem (Kundera, op. cit., p. 38).*

strike in Gdańsk and the birth of the organized Solidarity movement in Poland—these all resounded in the other Visegrad countries.

There were strong ties among the underground activities of the Polish Workers' Defense Committee (Komitet Obrony Robotników or KOR) and the Czechoslovak Committee for the Defence of the Unjustly Persecuted (Výbor na obranu nespravedlivě stíhaných, or VONS); activists of the Czechoslovak Charter 77 cooperated closely with those of the Polish Solidarność movement (which later turned into the Polish-Czech-Slovak Solidarity); there was a strong Polish-Hungarian solidarity movement and Polish activists gave extensive help to the Catholic church in Czechoslovakia—to name just a few such instances. The situation is very well illustrated in an interview with the former Czechoslovak foreign minister, Jiří Dienstbier:

> ***We have been in touch ever since we cooperated in the opposition movements—for example, we used to meet in the Giant Mountains or in the Jeseníky with the Poles Kuroń, Michnik, and others. The Hungarians were allowed to travel and could thus visit us in Prague. And then when our personal friends in Poland and Hungary came to power, it was relatively easy to agree on the establishment of the Visegrad Group, to negotiate the withdrawal of Soviet troops, the dissolution of the Warsaw Pact, or the association agreements with the European Community.***[14]

In other words, the pre-existing contacts among the various opposition groups in Czechoslovakia, Hungary, and Poland made the foundation of the official regional alliance relatively quick and smooth.

3.3 From Coordination to Cooperation (1990-1991)

After 1989, however, the new political elites picked up the threads of contacts among dissidents rather than from official collaboration among the former communist states. This was understandable because their experience with this kind of cooperation was predominantly negative. Previous integrative attempts in Central Europe were not positive, on the whole.

The first attempt to integrate this part of Central Europe in the 20th century was undertaken by the end of the Great War, through the creation of the ephemeral Central European Democratic

[14] http://jiri.dienstbier.cz/cz/rozhovory/rozhovor-s-milanem-syruckem/ *[J. Sýkora, P. Vágner, trans.]*

Union.[15] *The second attempt took the shape of the so-called Little Entente, of which pre-war Czechoslovakia was a member and with which Poland sometimes cooperated. The subsequent effort "to unify" Central Europe under Hitler's Third Reich took a very tragic and brutal course and had terrible impact.*

As a consequence of World War II, the majority of Central European states unwillingly found themselves in the so-called communist camp. Czechoslovakia, Hungary, and Poland became members of two integrative units, which were fully controlled by the Soviet Union: the Warsaw Treaty and the Council for Economic Mutual Assistance (COMECON).

After the cardinal changes that occurred in the former Soviet satellites in 1989, the issue of integrating Central Europe emerged again; for the first time in its history, there was an opportunity to give it an absolutely new face. The necessity of close cooperation, to foster the integration process among Czechoslovakia, Hungary, and Poland, was highlighted during the address of President Václav Havel to the Polish Sejm and Senate on 25 January 1990:

> ***We should not compete with each other to gain admission into the various European organizations. On the contrary, we should assist each other in the same spirit of solidarity with which, in darker days, you protested against our persecution as we did against yours.*** [16]

The Czechoslovak president repeated the same message in Budapest a day later, asking whether it would be better to compete with each other or to cooperate. Mutual cooperation was therefore discussed even before the famous summit in Visegrád in 1991, for example at the meeting of three presidents in Bratislava on 9 April 1990

In opening the discussion in Bratislava, which paved the way to Visegrád, Václav Havel then said that "the theme of our meditations today is 'coordination'." Coordination was a very serious topic and the question arose of whether a common position was possible regarding the Warsaw Treaty and the Council of Mutual Economic Assistance. Havel, of course, knew the answer in advance,

[15] *The Central European Union was founded in the U.S. On the break of September and October 1918. Originally a Czech-Polish project, it was later joined by exile politicians from other countries. The project finished after a month when a war broke out between Poland and Ukraine.*
[16] http://old.hrad.cz/president/Havel/speeches/1990/2501_uk.html

but as an experienced playwright he continued to say that "the answer to that question depends directly on the whole concept of regional cooperation in our part of Europe."[17]

Several months after annus mirabilis 1989, when Václav Havel opened the meeting in Bratislava, the situation in Central Europe was fairly complicated. High representatives discussing the destiny of the Warsaw Pact had to take into account that Soviet troops were still present in the region. In addition, there was no clear consensus on what to do regarding the pact. Václav Havel maintained for some time that the pact's dissolution should take place simultaneously with entry to NATO; later, however, he came to another opinion:

> ***In this radically new situation both groupings should gradually move toward the ideal of an entirely new security system, one that would be a forerunner of the future united Europe and would provide some sort of security or security guarantees.***[18]

Hungarian Foreign Minister Gyula Horn did not call for disbandment and believed that Hungary should remain in the transformed pact with close ties to NATO. There were different points of view in Poland between President Lech Wałęsa and Prime Minister Tadeusz Mazowiecki, who stressed the importance of the Warsaw Pact "for the problem of security for our borders"[19] *in the context of the following German reunification.*

It later became clear that the pact would be disbanded, but the problem was with the speed of the process, as became evident at a meeting of the three foreign ministers in Budapest on 21 January 1991, when a question arose about the Kremlin's crackdown in Vilnius. Prague proposed accelerated dissolution, but the ministers finally decided not to push Moscow. On the other hand, this meeting—similarly to the Kuwait crisis of August 1990—clearly showed that Czechoslovakia, Hungary, and Poland consulted each other and acted together before the Visegrad Group was officially established.

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[17] *http://old.hrad.cz/president/Havel/speeches/1990/0904_uk.html*
[18] *Speech of Václav Havel at the Council of Europe, Strasbourg, 10 May 1990.*
[19] *Upheaval in the East: Poland; Warsaw Calls for Border Treaty Before Germanys Are Reunited, The New York Times, 22 February, 1990. www.nytimes.com/1990/02/22/world/upheaval-east-poland-warsaw-calls-for-border-treaty-before-germanys-are-reunited.html?pagewanted=print. For more detailed see: Kramer, M.: The Myth of a No-NATO-Enlargement Pledge to Russia. The Washington Quarterly, Vol. 32:2, April 2009, p. 42.*

The fact that the Western countries were not immediately prepared for a revolutionary solution like the disbanding of the Warsaw Pact complicated the whole situation. Western countries faced two problems: they did not want to erode the already weakening authority of Gorbachev at home and they did not know what to offer Central European countries as a substitute for the Warsaw Pact, since a longer-term power vacuum in the region was unacceptable. Discussion of NATO enlargement was taboo. Jiří Dienstbier recalls how U.S. State Secretary James Baker proposed to him in February 1990 to create a belt of neutral countries from Finland to former Yugoslavia.[20]

Given the circumstances, it was not easy to decide what to do with the Warsaw Pact or how to manage the withdrawal of Soviet troops. The then emerging cooperation between Czechoslovakia, Hungary, and Poland, however, showed its strength and potential.

> ***We consulted each other almost every week, mutually following the proposed treaty clauses. They were not always identical, as the Soviet army, for example, was stationed in Hungary and Czechoslovakia illegally as an outcome of the armed interventions in those countries, whereas it was in Poland as a result of the unfortunate agreements signed in 1945. Nevertheless, we stuck to the same line, and these difficult questions were solved without too much tension with our former Big Brother.*** [21]

Coordinated efforts in the discussion with Moscow about the destiny of the Warsaw Pact and the withdrawal of Soviet troops from the region first led to the Protocol for the Termination of the Defense Agreements Concluded within the Warsaw Treaty and Liquidation Its Military Bodies and Structures (Budapest 25 February, 1991) and subsequently to the Prague meeting of the Political Consultative Committee on 1 July 1991, lending credence to what the Polish minister of foreign

[20] http://jiri.dienstbier.cz/cz/rozhovory/rozhovor-s-milanem-syruckem/ *Dienstibier himself at that time suggested the establishment of European Security Commission which would act independently of the Warsaw Pact and of NATO. However, this Commission "should in no case be seen as a substitute for NATO or any other successfully functioning Western European institution" (Quoted by Whitney, C.: Why Gorbachev Frets; In Europe, Peace Comes Easier Than Peace of Mind. The New York Times, 10 June, 1990,* www.nytimes.com/1990/06/10/weekinreview/why-gorbachev-frets-in-europe-peace-comes-easier-than-peace-of-mind.html?pagewanted=1.

[21] *Ananicz, A.: From the Anti-Communist Underground to NATO and the EU. In: The Visegrad Group..., p. 28-29.*

affairs, Krzysztof Skubiszewski, had pointed out after the Budapest meeting: "When you deprive the Warsaw Treaty of its military essence, it becomes more or less an empty shell."[22]

The "empty shell" cracked, and the seemingly strong Warsaw Pact ended after 36 years of existence. The greater historical paradox is that the nutcracker was held by former dissidents previously persecuted by the regime that had given birth to the pact. Regardless of some disagreement and occasional rivalry between their leaders during negotiations with the Soviets vis-a-vis the Visegrad countries, for the first time showed that they could effectively act together. This very fact was crucial to further negotiations with Western countries.[23]

The dissolution of the Warsaw Treaty and COMECON (28 June 1991) was an impressive start to cooperation, but more important and more complicated tasks awaited the newly created Visegrad Group.

3.4 Other Achievements and Initial Serious Problems (1991-1993)

Following its establishment, the performance of the Visegrad Group was particularly dynamic in the field of foreign policy. The aforementioned events in the USSR reminded all of the fact that full restitution of state independence, democracy, and freedom must remain the top priority of the activities for Visegrad countries. Most of their political elites very quickly realized that NATO is the one and only reliable partner capable of safeguarding their security. If Visegrad countries wanted to integrate themselves in the trans-Atlantic community, they had to not only demonstrate the ability to cooperate, and they also had to avert two threats.

First, they had to prevent establishment of new spheres of influence between the West and the USSR in Central Europe. "The danger of a new Yalta would be dangerous at the moment. If the West were to accept that certain, namely Central European countries, would belong to the Russian sphere of influence, they could therefore not be admitted to NATO. But nobody has said so yet." [24]

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[22] *Bohlen, C.: Warsaw Pact Agrees to Dissolve Its Military Alliance by March 31, The New York Times, 26 February, 1991,* www.nytimes.com/1991/02/26/world/warsaw-pact-agrees-to-dissolve-its-military-alliance-by-march-31.html?pagewanted=1.

[23] *The authors would like to express their gratitude to Ambassador Luboš Dobrovský who had been an active participant in the described events and provided the authors with many interesting details.*

[24] *"Gefahr eines neuen Jalta" Interview with Václav Havel, Der Spiegel, 13 February, 1995. [J. Sýkora, P. Vágner, trans.]*

Second, they had to make obvious the fact that the Visegrad Group should not be considered in any way a substitute for the full integration of its member countries into Western Europe. Without mentioning either the EU or NATO, the first Visegrad declaration carefully but clearly declared that member countries would strive to achieve "full involvement in the European political and economic system, as well as the system of security and legislation."[25]

Owing to the dramatic events in the USSR and the stormy situation in Yugoslavia, security became a very pressing issue, particularly the establishment of as close links to NATO:

> ***And in the summer of 1991, when the leaders of the putsch in Moscow tried to bring down Mikhail Gorbachev, Visegrád went through its first trial by fire. During some discreet meetings in the Tatra Mountains in Poland, coordinated steps to be taken by all three countries were agreed upon, resulting in a common declaration that autumn in Kraków that put Czechoslovakia, Hungary, and Poland on the road to NATO membership.*** [26]

The results of these "discreet meetings" were easily transferable, thanks to the statement of U.S. State Secretary James Baker and German Minister of Foreign Affairs Hans-Dietrich Genscher from 2 October 1991, which opened the door to closer cooperation between the Visegrad Group countries and NATO:

> ***They agreed that, as Secretary Baker stated this June in Berlin, their common objective is a Euro-Atlantic community that extends east from Vancouver to Vladivostok. The Atlantic link, European integration, and cooperation with our Eastern neighbors are the linchpins of this community.***[27]

The participants in the summit of the Visegrad Group's presidents and ministers of foreign affairs held in Cracow between 5 to 6 October 1991 received a message that read: "The ideas in the

[25] http://www.visegradgroup.eu/main.php?folderID=830&articleID=3940&ctag=articlelist&iid=1
[26] *Vondra, op. cit., p. 79.*
[27] *U.S.-German Joint Statement on the Transatlantic Community, U.S. Department of State, Dispatch Vol. 2, No. 40, 7 October, 1991.*ttp://dosfan.lib.uic.edu/ERC/briefing/dispatch/1991/html/Dispatchv2no40.html.

proposal fully correspond to their ideas for further development of cooperation between the Alliance and Czechoslovakia, Poland, and Hungary."[28]

NATO's answer took the form of several paragraphs in the Rome Declaration on Peace and Cooperation (8 November 1991) and declared NATO's preparedness to cooperate predominantly through contacts on various levels: "We intend to develop a more institutional relationship of consultation and cooperation on political and security issues."[29]

Due to joint collaboration within the Visegrad group, it was possible to make NATO sensitive to the difference between its partners in Central Europe and those in Central Asia, and make NATO sympathetic to the Group's concerns. This quickly became the leading position within NATO and the organization was soon "forced" to react to new initiatives proposed particularly by the Visegrad Group countries. Joint activities aimed at full NATO membership gradually gained support among the majority of NATO member states. The integration ambitions as a whole were at that time supported by Benelux. [30]

Symbolic of the successful negotiations toward NATO membership was the meeting of the Visegrad Group's heads of state with U.S. President Bill Clinton in Washington, D.C., on 21 April 1993. The presidents drew Clinton's attention (he had only been in office a short time) to NATO enlargement and the efforts of the Visegrad Group to join NATO.

In the first few months of his administration, President Clinton had not given much thought to the issue of NATO's future. Then, in late April 1993, at the opening of the Holocaust Museum in Washington, he met one-on-one with a series of Central and Eastern European leaders, including the highly regarded leaders of Poland and the Czech Republic, Lech Wałęsa and Václav Havel. These two, having struggled so long to throw off the Soviet yoke, carried a moral authority matched by few others around the world. Each leader delivered the same message to Clinton: Their top priority was NATO membership. After the meetings, Clinton told Lake how impressed he had been

[28] *Quoted by Spero, J.:* Bridging the European Divide: Middle Power Politics and Regional *Security Dilemmas, Rowman &Littlefield, Lanham, MD, 2004, p. 267.*
[29] www.nato.int/cps/en/SID-0F78D3D1-03058D3A/natolive/official_texts_23846.htm
[30] *Dienstbier, J.: Visegrad: The First Phase,* ***In: The Visegrad Group..., p. 43.***

with the vehemence with which these leaders spoke, and Lake says Clinton was inclined to think positively toward expansion from that moment. [31]

A subsequent meeting of Visegrad presidents with President Clinton occurred in Prague on 12 January 1994, when the U.S. president came to Prague to inform his colleagues of NATO's new program—the Partnership for Peace. The idea of the Partnership was met with varied reactions in the Visegrad countries; President Wałęsa was particularly skeptical, but, ultimately, all three Visegrad presidents accepted it in Prague. The ambivalence of the Central European countries toward the program was well expressed by former Czech Minister of Defense Antonín Baudyš: "It is the maximum possible and the minimum desired."[32]

Regardless of all doubts about partnership it was becoming clear that full NATO membership of the Visegrad countries was only a matter of time. This was confirmed at that time by the U.S. Joint Chief of Staff, General John Shalikashvili, before Clinton's trip to Europe: "If there is a point that I could make is that in this whole discussion, it is useful to remember that we are talking so much less today about whether extension of the Alliance, but so much more about how and when,"[33] *and later by President Clinton in Brussels: "[it] sets in motion a process that leads to the enlargement of NATO."*

In the end, this happened after five years and it was evidently a result of the joint effort of the Visegrad Group countries. There were other problems to come, however, particularly after the split of Czechoslovakia. After the successful start and initial impressive results, Visegrad cooperation gradually began to stagnate. In general, the common opinion holds that the main reason for this lay in the split of former Czechoslovakia on 31 December 1992. Although the division on its own did not pose any threat to the Visegrad Group—since the Visegrad Three simply turned into the Visegrad Four—the problems arose in the political representations that came to power in the newly established states of the Czech Republic and the Slovak Republic.

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[31] *Goldgeier, James M.: "NATO Expansion: The Anatomy of a Decision," Washington Quarterly, Vol. 21, No. 1, Winter 1998, pp. 86-87.*

[32] *Quoted by Simon, J.: NATO and the Czech and Slovak Republics: A Comparative Study in Civil-Military Relations, Rowman & Littlefield, Lanham, MD, 2004, p. 28.*

[33] *Press Briefing by Chairman of the Joint Chiefs of Staff, General John Shalikashvili, 4 January, 1994, www.presidency.ucsb.edu/ws/index.php?pid=59884.*

3.5 Does Visegrád Exist or Not? (1993-1998)

The Czech government, led by Václav Klaus, regarded the Visegrad Group as a superfluous organization.[34] *According to the government's opinion at that time, the Czech Republic simply did not need this cooperation, which was viewed as an obstacle to its development into the most advanced country of the alliance.*[35] *Not only was the group viewed as an unnecessary partner for the Czech Republic, clearly a leader among the other transition countries, but there was also a suspicion—held among others by Prime Minister Klaus—that the West supported the Visegrad Group as a means to keep the Central European countries out of Western structures. The Czech position was described as follows:*

> ***Czech policy focuses on the West, especially Germany and the United States, and has, through 1995, rejected calls for regional integration. Klaus has called the Visegrad organization […] an artificial one that the West foisted on Prague to keep it out of the West and he has obstructed any political or military cooperation under its auspices. Unilateralism, not regional cooperation, has been Prague's regional policy.***[36]

The situation in the Slovak Republic was different. Prime Minister Vladimír Mečiar did not try to intentionally avoid Visegrad cooperation, but his autocratic and eastward oriented politics gradually led Slovakia into isolation. Mečiar used to react to Western criticism with the catchphrase: "If the West does not want us, we will go to the East." The political situation later led to the well-known consequence of Slovakia's exclusion from the first wave of NATO enlargement, despite having had starting conditions identical to those of the other Visegrad Group countries. Only changes in political representations in the Czech Republic and Slovakia in 1998 meant the "rebirth" of the Visegrad Group.

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[34] *An interesting remark in the context of a very different attitude of Czech presidents Havel and Klaus towards regional cooperation made R. Fawn who wrote: "The arena of regional relations is a prime example of where the ideologies [Havel's and Klaus's] contradicted each other" (Fawn, R. (ed.): Ideology and National Identity In Post-Communist Foreign Policies. Frank Cass Publishers, London 2004, p. 213).*

[35] *Czech* Defense Minister Antonín Baudyš, for example, refused to take part in the meeting of the Visegrad Group ministers of defense in Poland (planned for 7 January 1994). See: www.natoaktual.cz/na_cr.asp?y=na_cr/cravztahysnatoii.htm.

[36] *Blank, S.: Prague, NATO, and European Security, Strategic Studies Institute. United States Army War College, Carlisle Barracks, PA, 1996, p. 2.,* www.strategicstudiesinstitute.army.mil/pubs/display.cfm?pubID=158.

An absence of political cooperation at the highest level, typical of the first period of the group's history, did not automatically imply that contacts inside the group were totally frozen. There were frequent meetings at the ministerial level (agriculture, defense, economy, education), as well as at various expert levels. It is evident that cooperation continued, even though the word "Visegrád" was considered improper in several countries.

The most visible element of the cooperation at that time, the Central European Free Trade Agreement—CEFTA, was performing effectively. Moreover, according to Václav Klaus, CEFTA became Visegrad: "Now the Czech Republic, in its dictionary, literally translates 'Visegrád' as 'CEFTA'."[37] Of course this was a great simplification of the content and the results of the Visegrad Group's activities, but, on the other hand, it is an indisputable fact that CEFTA became one of the most successful Visegrad projects that has existed to the present day.

Although economic cooperation was included in the original Visegrad declaration, CEFTA was founded on 21 December 1992, almost two years after the declaration was signed and more than a year after the so-called Cracow Declaration, in which the decision was passed to create CEFTA. The agreement came into force on 1 March 1993.

CEFTA was not originally conceived of as an open organization, but room for potential future growth was created in Brno on 11 September 1995. As a result, all Central European countries were given an opportunity to accede to the CEFTA agreement. Slovenia was the first state to take advantage of this opportunity in 1996, followed by Romania in 1997. Gradually, CEFTA expanded to other states and, since 2004, when the founding Visegrad Group countries left upon their accession to the EU, CEFTA has had 8 member states.

For the Visegrad Group countries, CEFTA turned out to be good preparation for membership in the EU, in addition to having a practical impact on the liberalization of a market of around 65 million inhabitants. It also played; however unintentionally—an important role in the preservation of the group's internal cohesion at times when political will was not strong enough to develop deeper forms of cooperation.

37 *Fawn, op. cit., p. 214.*

3.6 Revival and the "Crisis of Identity" (1998-2004)

Following the parliamentary elections in the Czech Republic and Slovakia, the atmosphere in the Visegrad Group seemed to be changing already during the first meetings of the countries' high representatives. Although the first summit, held in Budapest on 21 October 1998, was only trilateral (then without Slovak participation), its outcome was promising.

After the change of the government in 1998 the Czech Republic underlined the importance of multilateral cooperation with Poland and Hungary and pushed for renewing the Visegrad Group. It led to the decision, adopted by Prime Ministers of the Czech Republic, Hungary and Poland at the meeting in Budapest on 21 October 1998, to restore multilateral cooperation with Slovakia within the Visegrad Group.[38]

The next, quadrilateral summit was held in Bratislava on 14 May 1999, where the countries' support for revitalization of the cooperation was even more concrete. The prime ministers approved the Contents of the Visegrad Cooperation—the first document of its kind adopted since the 1991 declaration.[39]

The document outlined areas for foreign policy priorities, as well as other substantive elements of cooperation. It defined necessary elements of the group's structure, such as the rotating presidency, with concrete programs and final reports, regular meetings at various levels, etc. The second adopted document—the so-called Visegrad Joint Statement—set conditions for the establishment of the International Visegrad Fund, to this date the group's only organization established on 9 June 2000.

The Bratislava Contents were soon amended in order to better suit the needs of the group. The Annex to the Contents of the Visegrad Cooperation adopted at the prime ministerial summit in Esztergom on 29 June 2002 brought further details to the external and internal dimensions of cooperation.[40] Moreover, it outlined the V4+ format of the high-level meetings, which—although already utilized earlier—became institutionalized.

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[38] *Podraza, A.: Central Europe in the Process of European Integration. A Comparative Study of Strategies of the Czech Republic, Hungary, Poland and Slovakia towards Depening and Widening of EU. Research Support Scheme, Budapest 2000.* http://rss.archives.ceu.hu/archive/00001107/01/89.pdf.

[39] http://www.visegradgroup.eu/main.php?folderID=942

[40] http://www.visegradgroup.eu/main.php?folderID=941&articleID=9559&ctag=articlelist&iid=1

The new documents defining the cooperation, numerous meetings at various levels, as well as negotiation in the V4+ format, indicated that the Visegrad Group had experienced a comeback and enjoyed the confidence of the political representations of its member countries. The concrete tasks that lay before the Visegrad Group played a very integrative role. The most important assignment was multilateral help for Slovakia, aimed at closing the gap in the integration process. Despite the fact the three V4 countries were to join NATO earlier, they did their best to support Slovakia's involvement in the "second wave". The following is a personal memory of former Slovak Ambassador to the United States Martin Bútora:

> ***One of the architects in Washington of this exciting but complicated discussion of the various aspects of NATO enlargement was the Polish Ambassador, Jerzy Koźmiński. It was he who invited me immediately after my arrival in Washington in March 1999 to his residence for an informal breakfast meeting that he and his Hungarian and Czech colleagues had been holding for some time. "Here's the fourth chair that we've been saving for Slovakia," he said.*** [41]

This trilateral joint effort was crowned at the NATO summit in Prague on 19 November 2002, when Slovakia joined the alliance.[42]

The next top issue of joint interest of the Visegrad countries was accession to the EU. Given the number of meetings between the group's representatives at that time, one would have expected great results. However, this was true only to a certain extent. Particularly during the last phase of negotiations with the EU, the Visegrad solidarity—demonstrated earlier with Slovakia's NATO admission—failed. Despite agreements over coordinated action, each country pursued its own interests. A certain bitterness in contacts among the group's representatives became evident, which gave way to doubts over the meaningfulness of the group's very existence.

Moreover, the forthcoming membership of the Visegrad Group countries in the EU raised questions about the sense of cooperation within the EU. In public opinion the "renaissance" seemed to be giving way to an "identity crisis"—especially among critics. These questions about

[41] *Bútora, M.: The Spirit of Visegrad Was Revived in Washington. In: The Visegrad Group..., p. 90.*
[42] *"In the crucial pursuit of NATO membership for Central Europe, three of the four member countries found it essential to join forces, and used the concept of Visegrad as a powerful negotiating tool, irrespective of the weight given to the format in public by some of the member governments" (Žantovský, M.: Visegrad between the Past and the Future. In: The Visegrad Group..., p. 85).*

the group's role in the EU and doubts about the subsequent raison d'être of the cooperation were answered in the Declaration of Prime Ministers of the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic on cooperation of the Visegrad Group countries after their accession to the European Union approved in Kroměříž on 12 May 2004. This new Visegrad declaration stated that, while the main tasks outlined by the founders of the Visegrad Group had been achieved, new conditions for continuation of the cooperation were important:

> ***The integration of the Visegrad Group countries into the European and Euro-Atlantic structures opens up new opportunities and poses new challenges for their further cooperation on the issues of common interest. The cooperation of the Visegrad Group countries will continue to focus on regional activities and initiatives aimed at strengthening the identity of the Central European region.***[43]

In the period from its revitalization to its accession to the EU, the Visegrad Group—regardless of various specific failures—showed a willingness to continue in cooperation even during the countries' membership in the EU. As the first 15 years of its cooperation were symbolized mostly by its focus on the Euro-Atlantic integration of the region and on internal social and economic transformations, the next stage of the group's development (marked by the approved documents) meant a significant turn outward, and was to a great extent shaped by the group's external policy.

3.7 Visegrád Today: The Group and the Fund

Membership in Euro-Atlantic structures opened up new opportunities and presented new challenges to the group. The new declaration and the follow-up Guidelines thus mark the group's "reinvention" of itself within these structures and determine the group's contribution to the EU's common goals and objectives.

First-hand experience with the transformation process, as well as with the accession negotiations of the group's members, represented one of the two greater opportunities. The other opportunity was given by the group's historic ties with other countries outside the EU, namely in the broader region of Eastern and Central Europe and the Western Balkans. The Visegrad Group countries

[43] www.visegradgroup.eu/main.php?folderID=961&articleID=3894&ctag=articlelist&iid=1 *The document was also accompanied by the Guidelines on the Future Areas of Visegrad Cooperation:* http://visegradgroup.eu/main.php?folderID=940&articleID=3936&ctag=articlelist&iid=1.

were "ready to use their unique regional and historical experience and contribute to shaping and implementing the European Union's policies toward the countries of Eastern and Southeastern Europe."[44]

The Polish and the subsequent Hungarian presidency of the group in 2004-2006 made it a priority to focus on the EU's Neighborhood Policy—namely its Eastern Dimension—and the Common Foreign Security Policy. Closer cooperation was initiated with the group's direct neighbors, namely Ukraine[45] *and Serbia—as part of the V4+ scheme. The V4+ format was used on a more regular basis, namely in the V4 + Benelux or V4 + the European Commission formats.*[46]

The International Visegrad Fund was recognized as a key foreign policy tool of the Visegrad Group.[47] *Although the strengthening of the internal cohesion of the Visegrad Group countries and long-term support for civil society in the region has been the Fund's main mission, new programs have gradually been introduced to adhere to the group's foreign policy priorities. Among these programs are the Visegrad Scholarship Program (and especially its In-Coming and Out-Going schemes), the Visegrad Strategic Program and Visegrad+.*

The Visegrad Scholarship Program was initiated in 2003 with the aim of fostering the mobility of graduate and postgraduate scholars within and beyond the Visegrad region.[48] *The so-called Strategic Grants*[49] *offer funding in priority areas annually defined by the presiding country of the Visegrad Group and Visegrad+, the Fund's newest program established in 2008, was designed to offer funding within individually publicized calls for proposals prepared by the National V4 Coordinators.*[50]

The activities of the Visegrad Group after its accession to the EU have shown that one of the main goals of the group is its external dimension. It seems that Visegrad countries can, through meaningful external policy, in particular toward EU non-member states, pay off their symbolic debt; the help that the group received from Western Europe and the U.S. in its transformation

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[44] *Ibid.*
[45] *E.g. the Visegrad Group election observers participated in Ukraine's 2004 presidential election.*
[46] *Please see the Calendar for the list of V4+ meetings:* http://visegradgroup.eu/main.php?folderID=859
[47] *Joint Statement of the Summit of Heads of Governments of the Visegrad Group Countries, Tále, Slovakia, 24-25 June 2003,* http://visegradgroup.eu/main.php?folderID=960&articleID=3882&ctag=articlelist&iid=1.
[48] *Particularly Belarus and Ukraine but also Serbia and a dozen other countries in Eastern Europe, the Western Balkans and South Caucasus (*http://www.visegradfund.org/scholarships.html*).*
[49] http://www.visegradfund.org/strategic.html
[50] *For further details see the program's rules:* http://www.visegradfund.org/download/Rules_Visegrad+.doc

process in the 1990s can thus be extended to others. In a way, the issues of "integration" and "transformation" have accompanied the group throughout its history, even though they are not directly linked to its member states.

Broadening of the belt of prosperity and stability is, however, a crucial issue the Visegrad Group cannot abandon. It remains one of the themes of importance not only to the group as such, but also to the European Union as a whole. These are issues linked to the building of larger-scale infrastructure, energy security, and migration, among other things. Solutions to these problems contribute to the welfare of the whole EU. Perhaps it will be the very Visegrad Group countries that initiate discussion of some of these issues.

3.8 Visegrad Cooperation as a Source of Inspiration

After the dissolution of the so-called 'communist camp', its separate parts found themselves in very different situations. Although the initial differences among these countries predetermined their different development, there was the possibility—greater or smaller—to cooperate in overcoming the oppressive heritage of the communist regime. Those countries that were able to effectively unite their efforts, e.g. the Visegrad Group and the Baltic states, are now members of the Euro-Atlantic structures, while the others are only still working towards their aims.

The joint Euro-Atlantic direction has had a very positive impact on the cooperation, since it provided early cooperation platforms with both attractive and tangible goals. In the case of the Visegrad countries, there were several concrete mutual projects, such as the withdrawal of the Soviet troops, joining NATO, and accession to the EU. These aims helped develop the cooperation because the perspective was clear and doubtless. And, vice versa, cooperation of this sort made concrete results possible which, consequently, proved that such cooperation makes sense. In other words, had the Visegrad Group countries ***not*** *shown the ability to cooperate in a smaller integrative unit, joining NATO and the EU would have been much more complicated.*

Regardless of small episodic problems, the cooperation has been ongoing for two decades relatively smoothly. The only problems have occurred in small complications in relations between the group's members. Bilateral frictions, however, did not pose a substantial threat to the group as such because the cooperation is based on the principle of maximal intersection of mutual interests. This intersection—though seemingly small at times—sets the dynamics of the group towards a positive agenda: those issues where consensus is feasible are pursued and,

correspondingly, issues where agreement cannot be achieved are left outside of the framework. This adherence to the positive agenda may not seem ideal but, it has helped the Visegrad Group survive in several uneasy situations.

Similarly advantageous to the cooperation seems to be the group's potential in the form of the joint donor organization—the International Visegrad Fund. Established as the only organization of cooperation originally with the aims of becoming a civil counterpart to the official, political cooperation in the framework of the Visegrad Group, the Fund became an important tool of the group. Over time, in parallel with a growing support for civil society and individual mobility in the Visegrad region (and beyond), specific programs were developed that would serve as the group's foreign policy instruments, such as the aforementioned Visegrad+ or the Visegrad Strategic Program.[51]

These two programs, as well as the Visegrad Scholarship Program, contribute to the fact that the proportion of funding outside the group's members has been continuously growing, reaching about 18% in 2009. Increasing focus on the countries in the Western Balkans and the Eastern Partnership countries makes the Fund an indispensible tool for the Visegrad Group's transfer of know-how to neighbouring regions.[52]

3.9 Does Visegrád Have a Future?

When looking at the history of the group, one may well ask to what extent the group has maximized its potential. In addressing this question, we must take into account the conditions in which the group has operated, since its activities and effectiveness have, to a large degree, been dependent on the stance that the ruling elites have taken toward this cooperation. The problem has resided in the differing positions toward Visegrad within the various political parties in the region. Given this variability, Visegrád seems to have been harnessed to the maximum possible extent.

This state of affairs unavoidably provokes another question: Would the situation have been better had the Visegrad Group had a permanent governing institution similar to that of the Benelux or

[51] *To date, the Fund has supported almost 3,000 grant projects and awarded almost 1,000 scholarships in the total value of more than EUR 30 million (see* http://www.visegradfund.org/*).*
[52] *See the Fund' annual reports at:* http://www.visegradfund.org/media.html.

the Nordic Council? Although this question may have been relevant at the beginning of the 1990s, it was decided not to institutionalize this cooperation.

The institution of the International Visegrad Fund arose out of this cooperation, but its role does not lie in coordination. The system of National V4 Coordinators may not be perfect, but it complies with the level of integration and cooperation that the group has ultimately reached. Its further deep integration and cooperation should continue predominantly within the framework of the EU and NATO.

The Visegrad Group should strengthen common Visegrad knowledge as an important contribution to and boost for stability in Central Europe. Furthermore, the group's ability to support democratic change in neighboring countries cannot be neglected. Neighboring countries and the Visegrad region have numerous historical and personal ties that make it possible for positive results to be reached through cooperation. The Visegrad Group countries can, without a doubt, share both their positive and negative experiences of transformation and Euro-Atlantic integration with neighboring countries in their integrative efforts. There are also many concrete tasks in dealing with common internal problems, such as energy security or transport corridors in the Visegrad region (since the EU is not omnipotent). The question then, is not whether the Visegrad cooperation has a future, but rather whether its mission can be filled with a meaningful agenda. The framework has been drawn and must be used.

4 INTERGOVERNMENTAL VISEGRAD COOPERATION AND REGIONAL SECURITY

The purpose of this chapter is to give a brief history of the Visegrad cooperation, its structure and relations to other formats of intergovernmental regional cooperation, and its impact on regional security in Central Europe. The first part presents a recent history of Central Europe and the origins and establishment of the Visegrad cooperation in 1990. In the second part we will analyze the Visegrad economic cooperation in the broader framework of Euro-Atlantic integration, and the member countries' cooperation in efforts to join NATO and the EU. The third part deals with the public perception of the V4 cooperation, and two contradicting trends – a constant tendency towards individual approach and, on the other hand, assistance to Slovakia by the other three Visegrad countries after 1998. In the fourth part we analyze the roots and limits of security cooperation and its impact on CFSP/ESDP, and V4 policy towards Russia, the Balkans, and the Eastern Neighbourhood, including the variable formats of V4+ cooperation, and V4 attitudes towards global security challenges and their alleged 'Atlanticism'. The final part deals with core military issues, multinational military units, and joint projects in the defence sector, modernization, and procurement issues.

4.1 Historical Background

In the 20th century the Central European states were, albeit unwillingly, only passive subjects in the geopolitical games of greater powers. They did not play an active role in European, let alone international, politics.

After WWI the Central European states did not cooperate, but rather competed. They wanted to attract the interest of the major powers so that they would support them in bilateral territorial disputes. Retreating into nationalism when facing respective domestic challenges and agendas poisoned international relations in the region. National propaganda boosted mutual antipathies and prejudices and, thus, effectively undermined any goodwill to cooperate. A failure to create sustainable patterns of cooperation among Central European nations in the interwar period facilitated the success of the aggressive policies of National Socialistic Germany. The fate of the Visegrad nations during WWII differs: the Czechs were occupied by Hitler; Poland was divided by Hitler and Stalin, while the Slovaks and Hungarians tried to navigate their states through Nazi-dominated Europe.

The most obvious common denominator among Hungarians, Poles, Czechs, and Slovaks could be their experience in the Soviet bloc. Nevertheless, the history of the 1956 Revolution in Hungary and the 1968 Prague Spring in Czechoslovakia clearly illustrates the differences. Before 1989, the political and economic situation in the Central European countries considerably varied, and societies lacked mutual contacts and information about each other. Similar geopolitical experience, four decades of communist regime, and isolation from the West did not translate into a specific, regional, Central European identity.

4.2 The Challenges of Euro-Atlantic Integration

4.2.1 Economic Integration – CEFTA and EU Accession

In contrast to Hungary, Poland, and Slovakia, the Czech Lands had already been industrialized during the second half of the 19th century and the first half of the 20th century. Industrialization in Poland, Hungary, and especially Slovakia, on the other hand, proceeded to a large extent under socialism. Hence, the Czech industry arose in response to market incentives and was traditionally oriented towards economic relations with Western Europe.

The economic and political development of Czechoslovakia, Hungary, and Poland under Communism diverged during the 1970s and 1980s. While Czechoslovakia continued with an orthodox version of the socialist system, Hungary and Poland underwent partial reforms, introduced some aspects of the market economy, and partially opened their economies. Hungary joined the International Monetary Fund and the World Bank in 1982, and Poland in 1986. It should be noted that Czechoslovakia and Poland were founding members of the IMF, however, both countries had resigned from their membership in the first half of the 1950s.

According to a comprehensive comparative study[53], the consequences of such partial reforms led to a high foreign debt, as well as to moderate to high inflation. Paradoxically, in the beginning of the '90s, there was deeper macroeconomic instability in Poland and Hungary than in Czechoslovakia. The Solidarity movement had empowered trade unions in Poland. Poland and Hungary were more prepared to accept Western competition because of their openness, and their elites were more Western educated than those of Czechoslovakia. As for the pace of economic reforms, Hungary took advantage of favourable initial conditions and chose to implement reforms

[53] *Fidrmuc at al. (2001)*

at a gradual pace. Poland, because of extreme macroeconomic imbalance, unsustainable public finances, and excessive external debt and inflation, had to go for a radical shock-therapy. Despite favourable initial conditions, Czechoslovakia opted for rather radical reforms. However, the Czech privatization process has not delivered sufficient enterprise restructuring and effective corporate governance. Nevertheless, "the Visegrad countries and Slovenia [were] the only post- communist countries to return to, or exceed, the pre-transition level of output by 2000."[54]

After the division of Czechoslovakia, the Visegrad cooperation did not cease, but it decreased in intensity and became more focused on economic issues. The Visegrad countries aspired to enter, whether individually or jointly, the European Union. After the Czech Republic gained membership in 1995, and Poland and Hungary became members in 1996, Slovakia was only the fourth post-communist country to be admitted in the OECD. From the economic perspective, the Visegrad cooperation, as well as the Central European Free Trade Area (CEFTA), were perceived as transitory arrangements preceding the countries' eventual entry into the EU, rather than an objective in their own right.

CEFTA was founded on 21 December 1992 - the CEFTA agreement[55] *was signed by the Visegrad countries, that is, by Poland, Hungary, and the Czech and Slovak republics (at that time still parts of Czechoslovakia) on 21 December 1992 in Kraków, Poland. It went into force on March 1, 1993. Slovenia subsequently joined CEFTA in January 1996, Romania in January 1998, and Bulgaria in January 1999. The extent of trade liberalization within CEFTA was similar to the trade liberalization stipulated by the Europe Agreements (association agreements). As a result, trade barriers against agricultural commodities and sensitive products still remained significant. Despite the progress in trade liberalization, there have been essentially no efforts to further integration among the Visegrad countries in other areas.*

The main reason was that the Visegrad countries had already had relatively open economies. In the 1990s, exports accounted for about one third of the GDP in Hungary and over 40% in the Czech Republic and Slovakia. Only a few EU countries of comparable size were significantly more open than the smaller Visegrad countries. For example, Belgium, the Netherlands and Ireland have export shares between 50% and 70% of GDP. In comparison, Poland's exports are relatively low at 17% of the GDP, but this is due to the larger size of the Polish economy.

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[54] *Fidrmuc at al. (2001), p. 18*
[55] *See http://www.worldtradelaw.net/fta/agreements/cefta.pdf*

Trade within CEFTA (excluding the bilateral Czech-Slovak trade) played only a moderate role for the Visegrad countries. Given the central geographical location of Slovakia in this country grouping, CEFTA trade is more important for Slovakia (10% of Slovak exports in 1999) than for the Czech Republic (7%), Poland (7%) or Hungary (5%). Trade among the CEFTA countries gradually intensified until reaching approximately twice the normal level of trade by 1997. Then it deteriorated in 1998, decreasing to approximately 40 % above the previous level.

Czech-Slovak trade played an important role for both states after the break-up of Czechoslovakia. Czech exports to Slovakia accounted for 21% in 1993, while Slovak exports to the Czech Republic reached 37% in 1994. By 1999, bilateral trade amounted only to a fraction of the original figures (8% in the Czech Republic and 18% in Slovakia).

Already before V4 accession (1999) the share of current and future EU members' trade provided for 87% in the case of Slovakia, 85% for the Czech Republic, 78% for Poland, and 77% for Hungary. This illustrates that the Visegrad countries were relatively more integrated into the EU than were other candidate countries.

4.2.2 A common case of NATO accession

After 1990, the uniting element of the Visegrad cooperation was the common interest of Hungary, Poland, and Czechoslovakia in pushing for a withdrawal of Soviet troops and dismantling of the Warsaw Pact. After 1991, when this goal was achieved, a common interest in NATO and EU membership became the main driving force behind their cooperation.

"The idea of close cooperation and coordination in Central Europe had its own raison d'être. We wanted not only to reconnect with the tradition of cultural kinship and cooperation from the period of dissent, but also - and perhaps chiefly - we wanted to avoid any revival of the hostile rivalry and jealousy that had destroyed our mutual relations in the inter-war period and left us easy prey for the powerful appetites of Berlin and Moscow....During some discreet meetings in the Tatra Mountains in Poland (in 1991), coordinated steps to be taken by all three countries were agreed upon, resulting in a common declaration that autumn in Kraków that put Czechoslovakia, Hungary, and Poland on the road to NATO membership."[56]

[56] *See Vondra (2006)*

There was no doubt that Visegrad countries would be successful in their transition towards democracy and market economy. As Brzezinski wrote in 1992, "in the foreseeable future, only three formerly communist countries - Hungary, Poland, and Czechoslovakia - enjoy any likelihood of a successful transition to a market-based democracy"[57]

However, in terms of security arrangements in Central Europe, mixed signals were released. For example, in 1990, Czechoslovak Foreign Minister Jiří Dienstbier suggested the creation of a European Security Commission on the basis of CSCE with its own secretariat, intelligence satellites, and information centre in Prague. As he put it, ''the suggested European Security Commission should act independently of the Warsaw Pact and of NATO and should in no case be seen as a substitute for NATO or any other successfully functioning Western European institution.'' Along these lines the fate of the military blocs should have been decided after the new organization was put in place. His plan did not prove to be feasible and, after 1991, the Visegrad countries continued to aim for integration into Euro-Atlantic institutions to foster their transition. It was again Brzezinski who observed that "Hungary, Poland, and Czechoslovakia should now be more formally included in binding security arrangements involving either NATO or the Western European Union. The existence of a security vacuum in this sensitive region is counterproductive for all parties[58]*".*

The road towards NATO's opening doors was torturous[59]*, and incorporated launching the partnership programme. The Partnership for Peace was proposed by Secretary of Defense Les Aspin on October 20,1993, at a meeting of NATO defence ministers in Travemünde, Germany and endorsed by NATO foreign ministers on December 9,1993, in Brussels, and formally launched at the 10-11 January 1994 NATO summit in Brussels.*

There were remarkable differences between the attitude of the Czech president Havel and then Prime Minister Klaus and his government towards regional cooperation. For example, the Czech Defence Minister Baudyš was reported to have not taken part in the meeting of the Visegrad Group ministers of defence in Poland on January 7, 1994, because he believed that there would be no need for a coordinated approach by the V4 towards NATO.

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[57] *Brzeziński, Zbigniew (1992) The West Adrift - Vision in Search of a Strategy, Washington Post, Jan 3, 1992, accessed at http://www.visegradgroup.eu/main.php?folderID=1082&articleID=3829&ctag=articlelist&iid=1*

[58] *Brzeziński , ibid.*

[59] *e.g. Gazdag (1997) provides a comprehensive outline of policy development towards NATO accession in early 1990s*

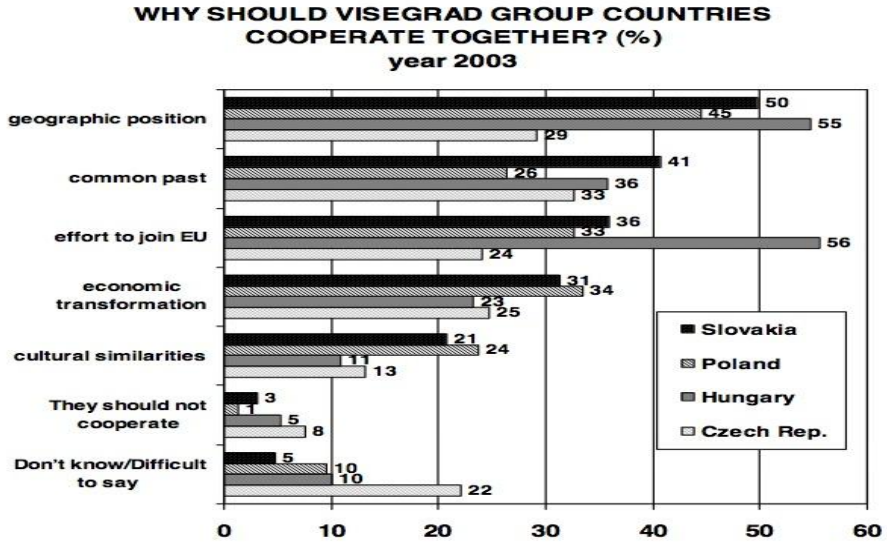
According to some US analysts, "Not all of the Visegrad states may be ready to join NATO at the same time." (Binnendijk, 1995). As Binnendijk put it, the Visegrad countries "want NATO insurance and believe enlargement will secure their reforms." Differences were described in terms of the individual countries' ability to achieve a Western level of civilian-military relations and to solve specific bilateral problems.

"The Czech Republic is the most eligible candidate of the former Warsaw Pact countries…" also because it "has no serious problems with ethnic minorities, nor is it threatened militarily by anyone." As for Poland it was observed that "also a likely candidate for early NATO membership because of its location, its support in the United States and its considerable military capability." Hungary still had "unsettled ethnic problems with its neighbours" and it has to achieve "an adequate civilian control over its military." Slovakia seemed to have the least chances to join because of political instability and internal power struggle; it also had to build military institutions from scratch, and lacked proper civil-military relations. Slovakia's bilateral problem with Hungary was also undermining its case for candidacy.

Because of these differences in the countries' states of preparedness, and because of the competitive nature of the planned expansion, the Visegrad had to compete in order to earn the goodwill of the West and to integrate with Euro-Atlantic institutions.

4.2.3 Public Perceptions of the Visegrad Cooperation

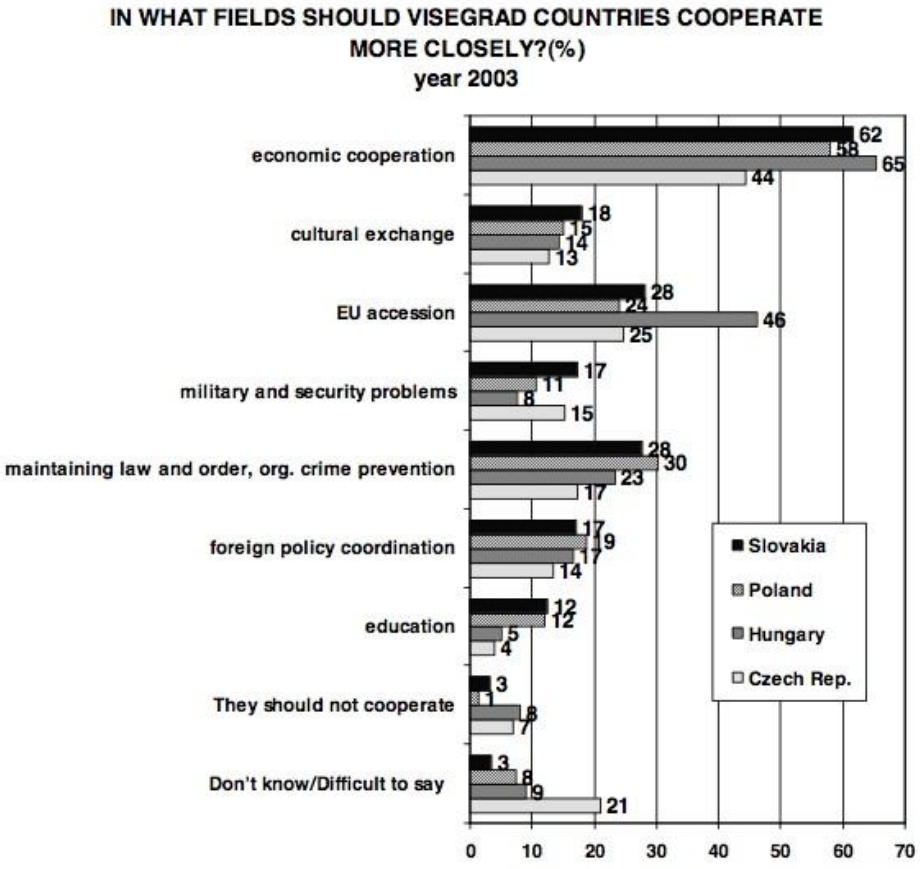
Several public opinion surveys were conducted prior to the V4's accession to the EU. A survey in



1 - Source: "Visegrad cooperation as seen by the citizens of four countries" (2003), IVO, Bratislava

2003[60] showed that awareness of the existence and meaning of the Visegrad Group was lowest in the Czech Republic and in Poland, and highest in Slovakia. In general, the Slovaks perceived the Visegrad Group as the most useful, whereas the Czechs thought the opposite. Hungarians believed in the importance of the Visegrad cooperation because of the EU and geography. As the following chart illustrates, the main reason for the V4 cooperation is seen in geographic proximity.

The V4 cooperation was considered to be useful in areas of economy and internal security, whereas it was seen as less compelling in the fields of foreign policy and security:



2 - Source: ibid.

4.2.4 Temptations of political unilateralism under a fear of 'imposed' regional cooperation

Oscillation between interest and disinterest in closer cooperation stemmed from synchronized election cycles in V4 countries and competitive patterns of their policies (´go-it-alone´). Central

[60] *Václavíková (2003)*

Europeans feared that the West would view any regional organization as an artificial barrier to integration, foisted on them by the West to make their further European integration unnecessary. For example, French PM Balladur's initiative of 1993 attempted to induce Central European states to sign bilateral treaties guaranteeing each other's borders and minority rights as a precondition for entry into the EU. The Slovak-Hungarian Treaty signed in Paris in March 1995 was seen as a direct result of the Balladur initiative[61].

It became clear during the '90s that there were limits to the cooperation among V4 countries (e.g., the failed attempt of Poland and Hungary to synchronize their application to the EU[62]*) because each of the countries was aware of the risks of a "group" approach. It became obvious that even allies can compete; that competition and cooperation are standard modes of operation in international relations.*

The Czech policy was viewed to be "unilateralist" to a high degree: the "cavalier seul"[63] *of Prague, which after the velvet divorce had eased its load, felt that it could achieve integration goals alone faster. Prague seemed to eschew virtually all forms of regional cooperation except the economic one (CEFTA) and the ones that were regarded as helpful to fostering NATO membership. It avoided anything other than a free trade zone with Poland, Hungary, and Slovakia. According to Blank (1996), the Czech officials he interviewed in 1994 "expressed highly uncomplimentary views about Polish policy":*

"the Czech Republic refused to proceed towards greater regional political or defence cooperation through the Visegrad association…. Interviews with key officials show a surprising indifference to, if not disdain for, their neighbours' concerns even though their policies frequently parallel Czech ones... (Blank, 1996)

The Visegrad countries, though, coordinated their approach in negotiating bilateral treaties with the USSR in rejecting clauses that would prevent free choice of security arrangements (in fact precluding their future NATO membership).

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[61] *See Blank (1996)*
[62] *Dates of EU applications by V4: Hungary March 31, 1994; Poland April 5, 1994; Slovakia June 27, 1995; Czech Republic January 17, 1996*
[63] *Gazdag (1997)*

4.2.5 Slovakia Left Behind and Catching Up

The greatest political and security achievement of the Visegrad cooperation was NATO membership for Hungary, Poland, and the Czech Republic in 1999. Unlike its Visegrad neighbours, Slovakia was not invited to join NATO at the Madrid summit in 1997. Slovakia was not invited to join EU accession talks after the Luxembourg summit in December 1997 due to non-compliance with the Copenhagen criteria of June 1993; it lacked domestic political stability and there were major inconsistencies in the democratic practice. (Bilčík, 2001)

Subsequent "V-3" cooperation facilitated pulling Slovakia on board after the 2002 Prague NATO Summit and contributed to Slovakia´s efforts to catch up in the EU accession. In the end of the '90s "supporting the NATO candidacy of Slovakia, which had been left out of the first expansion round due to the excesses of the Mečiar era," became the common tasks of the V4." Ananicz, Andrzej .in: Jagodziński (ed.) (2006)

Also on the EU accession front, the V4 formats helped Slovakia to catch up. In 2000, the Visegrad group began consultations on more technical matters of negotiations and the chief negotiators of the four countries met regularly and discussed the progress of the negotiations. As most observers acknowledge, the revitalized Visegrad cooperation served Slovak ambitions to catch up in the accession talks. (see Bilčík, 2001)

4.3 Whither Visegrad Cooperation?

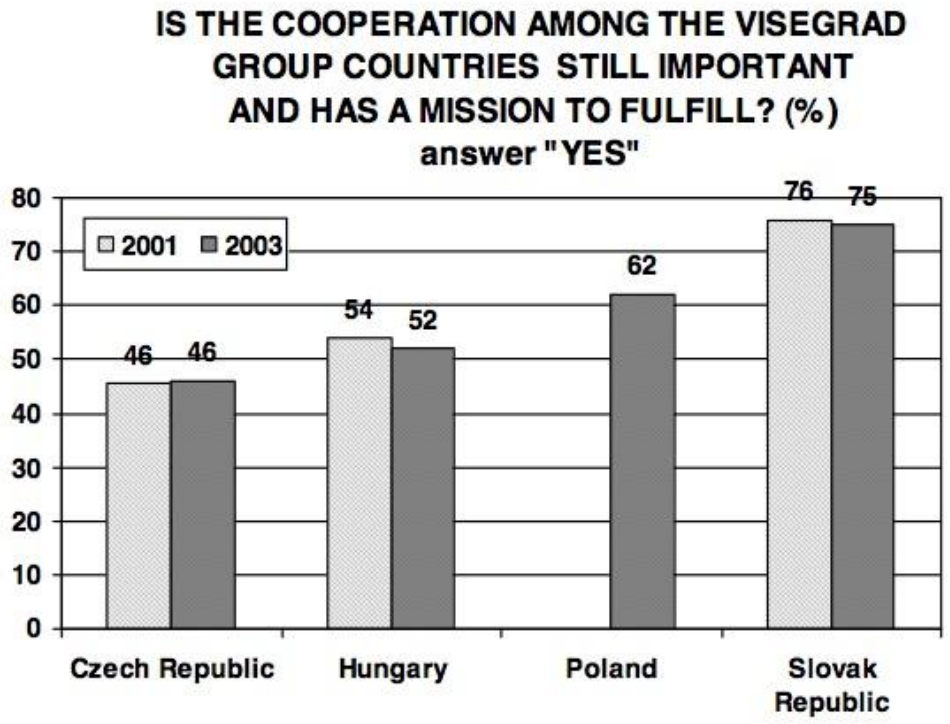
After the successful entry into both NATO and the EU, some analysts were of the opinion that the V4 cooperation had lost its raison d'être. Some analysts believed that the Visegrad idea would not survive accession to the European Union. Moreover, due to the geopolitical ambitions of Poland, with its population of 40 million, cooperation without Poland would be more appropriate for the smaller Central European countries such as the Czech Republic, Hungary, and Slovakia (which also include Austria and Slovenia). The EU of "27" has recreated Central Europe as a common space without borders and administrative barriers. The question is to what extent will such development strengthen the common identity? The renewal of a common political space may indeed function as a catalyst for interaction and cooperation within both the EU and NATO.

However, promoting regional cooperation via V4 remained an official policy of the V4 countries. For example, the Czech Foreign Policy Strategy stated[64]:

[64] *Source: "Conceptual Basis for the Czech Foreign Policy in 2003 - 2006 period", MFA, Prague*

"Cooperation within the Visegrad Group (V4) will lose nothing of its importance even after the entry of the V4 countries into the European Union. According to the Czech Republic, one of the priorities is to strengthen the direct engagement of V4 citizens and the development of cross-border cooperation between the Visegrad countries. The Czech Republic will also support cooperation between the V4 and other regional groupings (Benelux or the Nordic Council) or with other countries interested in such cooperation."

Since the 2002 agenda, the Visegrad cooperation has grown wider and has been extended into more concrete areas of energy, interior affairs (JHA agenda), public administration, and the



3 - Source: "Visegrad cooperation as seen by the citizens of four countries" (2003), IVO, Bratislava

environment. Surveys have not shown any decline in public opinion support for V4 cooperation:

After accession to the EU, the V4 had a renaissance: the Minister of Foreign Affairs of Ukraine was officially invited to the meeting of the V4 Ministers for Foreign Affairs (July 2005). Three months later, in October 2005, at a Budapest Ministerial conference on the Western Balkans, V4 representatives participated along with representatives of Austria and Slovenia. Thus a Regional Partnership (originally an Austrian initiative) was moulded into a "V4+2" framework.

V4 countries developed various inclusive formats of cooperation with other countries in the V4 plus: "The coalition patterns between the New Member States may often be on regional configurations — the longstanding Visegrad Group, the Baltics, the Baltics plus Poland, Visegrad and the Baltics."[65] The establishment of the International Visegrad Fund (providing common financial resources) can be considered to be the most important ´glue´ of the V4 – it has fostered cooperation in culture, education, among civil societies, NGOs and think-tanks.

4.3.1 Historical Footprints and Security Perceptions

Central European states used to be, albeit unwillingly, only the passive subjects of the geopolitical interests of greater powers and did not play a significant role in European politics, let alone international politics.

Poland and Hungary historically perceived themselves as a barrier protecting the West, and Czechoslovakia aspired to become a bridge connecting the West to the East. Nevertheless, none of them had the necessary human or material resources available, nor did they have sufficient strategic territorial depth to exercise such a role.

After WWI, the Central European states did not cooperate, but rather competed. They strove to attract the interest of major powers so that they would support them in bilateral territorial disputes. Retreating into nationalism while facing respective domestic challenges and agendas poisoned international relations in the region. National propaganda boosted mutual antipathies and prejudices, and thus effectively undermined any goodwill to cooperate. A failure to create sustainable patterns of cooperation among Central European nations in the interwar period facilitated the success of the aggressive policies of National Socialistic Germany. The fate of the Visegrad nations during WWII differed: the Czechs were occupied by Hitler, Poland was divided by Hitler and Stalin, while the Slovaks and Hungarians tried to navigate their statehood through Nazi dominated Europe.

The most obvious common denominator among Hungarians, Poles, Czechs and Slovaks could be the common experience of the Soviet bloc. However, comparing the 1956 uprising in Hungary and the 1968 Prague Spring in Czechoslovakia illustrates the difference of history and perceptions. Before 1989, the political and economic situations in the Central European countries considerably varied and there was a lack of mutual societal contact and information about each other. "Each

[65] *Not Your Grandfather's Eastern Bloc (2009), EUPI Report (p.11)*

country has a distinct communist past that has left a distinct legacy."(Vachudova; 2001). Therefore, it is not clear whether the experience of a shared history and geography, especially that of four decades of communism and isolation from the West, can be translated into an enduring East Central European identity.

4.3.2 Limits of security cooperation in V4

As seen above, the key for V4 security cooperation lies in shared interests rather than cultural similarities or historical affinities. The main defining elements of security identity formation - see Rousseau (2001) – including a definition of common security interests -- stem from similarities (and differences) in threat perceptions of various dimensions of security. Is it possible to define shared security policy interests within the V4 based on shared identification of global security threats? To what extent would a joint security approach of the V4 contribute to the cohesiveness of NATO and EU (ESDP) security policies?

Let us focus on the differences among the Visegrad countries' foreign and security policy priority fields:

Vachudova´s (2001) assessment of V4 attitudes towards security policy shows how difficult it may be to categorize the Visegrad countries´ attitudes:

> ***"Poland differs fundamentally from the Czech Republic in its conception of European security, in its willingness to contribute monies and energies to safeguard human rights and to stabilize democracy in distant lands. While both the mainstream left and right in Poland supported NATO, neither the left nor the right in the Czech Republic did (sic!). In this respect, Hungary falls closer to Poland, while Slovakia is closer to the Czech Republic."***

Vachudova envisages two Central Europes - a Cosmopolitan Central Europe (formed around the large, confident, relatively dynamic Poland and Germany) and Provincial Central Europe (regrouped post-Hapsburg nation-states of Austria, the Czech Republic, Slovakia, Hungary, Slovenia, and Croatia) - the main markers distinguishing the two are the character of the political right (xenophobic and isolationist positions captured as "We want to be left alone, with only ourselves, on our own bit of territory, we want to do as we please"), and the attitude of the governments and societies toward immigration (a 'provincial' attitude restricting immigration to

a minimum). However, it is clear that the split between the 'provincial' and 'cosmopolitan' approaches is not a geographic one.

According to Gromadzki (2006)[66], there is a geographic fault line within the V4: the Baltic States and Poland (having only Eastern neighbours) against the Czech Republic, Slovakia, Hungary, Romania, and Bulgaria (having both Eastern and Southern neighbours).

"One can identify a 'Carpathian mountains dividing line' that divides the new member states into two groups: first, north of the Carpathian Mountains (three Baltic States and Poland), and second, south of the Carpathian Mountains (Czech Republic, Slovakia, Hungary, Romania and Bulgaria). The "North of the Carpathians" countries have only one neighbourhood, Eastern Europe, whereas other EU neighbourhoods, the Western Balkans, for instance, play an insignificant role in their policies. They are focused on Russia, Ukraine, and Belarus. The 'South of the Carpathians' states, by contrast, have two neighbourhoods, the Western Balkans in addition to Eastern Europe. They are often more interested in the Western Balkans (particularly Bulgaria and Hungary) than in Eastern Europe. ... The 'Carpathian Mountains dividing line' partly explains the difficulties in co-operation within the Visegrad Group (the Czech Republic, Slovakia, Hungary, and Poland). In spite of similar interests, sometimes these countries cannot find a common position on matters concerning the Eastern neighbourhood. The Czech Republic, Slovakia, and Hungary would like to see Poland more engaged in Western Balkans affairs. Poland, on its part, would wish a stronger involvement of the other Visegrad countries in (EU policy towards) Ukraine and Belarus." [67]

4.3.3 V4 policies towards Eastern and South-eastern Neighbours

The new member states are closer to conflict regions in the East and in the Balkans. The V4 countries have a specific interest in preventing conflicts, stabilizing their neighbourhood through developing cross-border cooperation. The Eastern policy (including Russia) represents the crystallization point of a potential convergence of security interests among V4 countries. With all limitations and inhibitions (as stated below) it might lead to further convergence of interests and a deepening of a common security identity (also in the EU as a whole).

[66] *Gromadzki, Grzegorz and Raik, Kristi (2006) Between activeness and influence: The contribution of new member states to EU policies towards the Eastern neighbours, Policy Paper, Open Estonia Foundation, September, 2006*

[67] *Gromadzki, 2006)*

The European Neighbourhood Policy attempts to reconcile the two contradictory roles of the EU´s external border: "borders are barriers that protect the Union and its citizens against threats from the outside; but on the other hand, it is a fundamental goal of European integration to soften borders and reduce barriers" [68]

The V4 countries, with the exception of the Czech Republic, share a common border with one or several Eastern neighbours. The geopolitical position of the Czech Republic is quite unique: all Czech neighbours are currently part of the Schengen Area. Therefore the Czech Republic – as a sort of ´Luxembourg of Central Europe´ -- has to rely on the successful frontline policies of their neighbours. By the reverse token, it is only Hungary of the V4 that has a common border with the Balkan countries. Hence, it was assumed to be the most committed to stabilization efforts in former Yugoslavia. However, the Czech, Hungarian, and Polish governments´ performance in the 1999 Kosovo campaign did not correspond to what was expected. Operation Allied Force was the first test of the Czech Republic, Hungary, and Poland as new NATO members:

"Poland passed the test with flying colours, Hungary received only a satisfactory grade, and the Czech Republic had problems passing at all and needed 'extensive tutoring' from Brussels and Washington even to make it."[69]

All Visegrad countries have been supportive of the Eastern dimension of the European Neighbourhood Policy and of the future EU enlargement. Under the Czech Presidency of the Visegrad Group, the V4 countries and their Baltic partners agreed on "the pressing need for enhancing the Eastern dimension of the ENP by creating a regional dimension, which would be complementary to the existing bilateral relations and partnerships between the EU and its Eastern neighbours."[70]

TheV4 partners claim that, as they themselves have highly benefited from a regional coordination in the frame of the Visegrad group and its dialogue with the Baltic countries, implementing the regional cooperation concept would "stimulate the collaboration among the Eastern neighbours themselves and will further contribute to the promotion of prosperity and stability in the East."[71]

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[68] *Gromadzki (2006)*
[69] *Michta (2001) - It should be noted that Hungary had to behave very cautiously because of the relatively large ethnic Hungarian minority group in Voivodina.*
[70] *ENP and Eastern Neighbourhood – Time to Act, Czech non Paper, April 2008*
[71] *Ibid.*

After their entry into the EU, the V4 and Baltic countries worked hard to attract the attention of the EU to the challenges of Eastern Europe. First, to the resolution of frozen conflicts and the prevention of their unfreezing; and second, to the region´s need for modernization through democratization. The EU policies towards strengthening civil society and independent opposition movements in the East are often initiated, and always strongly supported and promoted by all new Member States[72], although some analysts single out Poland and Lithuania.

"Of the new member states, Lithuania, in addition to Poland, is so far now most strongly profiled in the ENP. Other "natural" supporters of the Eastern dimension of the ENP appear less pronounced or prefer to pursue close cooperation only with their direct neighbours, e. g. Hungary."[73]

4.3.4 Towards candidate and accession countries in South-eastern Europe

Southeastern Europe has become primarily a focus of Hungary, Slovakia and the Czech Republic. Government projects and NGO programs are related to civil sector experience in democratization, public sector management reform, dissemination of information about the EU in general and accession related to know-how in particular, and the role of NGOs in adoption of the acquis communautaire (especially monitoring, promoting a principle of subsidiarity, rule of law, etc.). Partners in Southeastern Europe are also interested in post-accession activities in the new member states: i.e. citizens' participation in EU decision-making, raising awareness of the EU, and mobilizing the civil sector in a development and democracy agenda.

4.3.5 Policy towards Russia

Most observers note differences between the Russia policy of Poland and that of other three Visegrad countries. "Unlike Poland, the three smaller Visegrad countries wish to maintain good relations with Russia, and sometimes they are even willing to sacrifice their ties with other Eastern European countries" [74]

In a recent study about EU-Russia relations, Mark Leonard and Nicu Popescu[75] attempted to characterize the EU member states´ attitude towards Russia. Poland was labeled a "New Cold-

[72] *Pisarska (2008)*
[73] *Lippert, Barbara (2007)*
[74] *Kratochvíl; 2007*
[75] *Leonard, Popescu (2007)*

Warrior"[76]*, whereas the other Visegrad countries are considered pragmatic - Hungary and Slovakia as „friendly pragmatists", the Czech Republic as a"frosty pragmatist".*

The Czech Republic has long adopted the policy of not straining relations with Russia. Recently, the preeminent source of disagreement has been the present government's staunchly trans-Atlantic course and its approval to participate in the American missile defence shield programme."[77]

Most of the scholars do not see the V4 dividing line solely in geographic terms ('the Carpathian Mountain dividing line'). The obvious rationale for differences within the V4 lies in the variety of historical experiences among Central European nations.

"Poland and the Baltic states pursue a harder line, which is understandable due to their proximity to Russia and historical experiences (not only under the Soviet Union but also in Tsarist Russia). ... Russia has been perceived in the Baltic States and Poland as an invader and the main threat to their independence." [78]

"'The South of the Carpathians countries' present a softer line (but still harder than many old EU member states). The softer line results from a bigger distance from Russia and different historical experiences. It should be noted that Russia played a positive role in the history of several East Central European nations (Czechs, Slovaks, and Bulgarians) in their struggle against the Austro-Hungarian Empire and the Ottoman Empire in the 19th and early 20th centuries." [79]

Other authors have observed that, in the Czech case, the reason for a more positive attitude towards Russia was a simple lack of historical experience with Russian imperialism[80] *before the Russian advance into Central Europe in 1945. Gromadzki (2006) bitterly noticed that Russia differentiates between individual V4 countries*

"President Putin did pay a visit of reconciliation to Prague and Budapest in late February-early March 2006 where he acknowledged Moscow's "moral responsibility" for the bloody Soviet

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[76] *"Poland and Baltic States have also been outspoken in demanding a tougher approach to Russia, in particular with regard to democracy, civil society and human rights." Gromadzki (2006)*
[77] *Kaczmarski and Smolar (2007)*
[78] *Gromadzki (2006)*
[79] *Gromadzki (2006)*
[80] *"Until the 20th Century Czechs - unlike Poles and Hungarians - never got into contact with Russian imperialism." Kubičko, Musil (2001)*

suppression of the 1956 Hungarian uprising and for the invasion of Czechoslovakia in 1968, but has not made a similar gesture towards the Baltic countries and Poland." Gromadzki (2006)

More nuanced characteristics of Hungary´s and Slovakia´s relationship with Russia has been provided by Kaczmarski and Smolar (2007):

"Hungary, especially under the socialist coalition in power since 2002, remains in Russia's view the "model" Central European partner. Budapest does not raise historically tricky issues and responds positively to Russian interests, particularly in the energy domain, making a coherent common EU energy policy all the more difficult to construct. Slovakia, (as a transit country) like Hungary, plays a vital role in the Russian policy of energy expansion. It is also a valued political partner in Central and Eastern Europe."

4.3.6 Regional Leadership of Poland

Poland is slated to be a regional leader due to its size and capabilities. Poland tries to be the regional leader in East Central Europe and is aiming its efforts at the EU policy towards Ukraine, Belarus, and Russia.

"Poland has also been the most vocal and active of the accession states in other foreign policy areas. Its involvement in Iraq is one example. Its participation as an equal in the Franco-German-Polish 'Weimar Triangle' is another." [81]

That is why the Visegrad cooperation has not been a framework of the first choice for Polish diplomacy to seek consensus among V4 members. Poland has been the strongest supporter of Eastern enlargement and, along with Lithuania, is considered as "the most ardent proponents of enlargement, (who) do not necessarily receive strong support in this respect from the Czech Republic, Hungary, and Slovakia, although the latter countries are not against enlargement, either." [82]

[81] *Cameron, Primatarova (2003)*
[82] *Gromadzki (2006)*

Table 1
Differing Preferences and Strategies

	Importance of the eastern dimension	Main geographical focus	Start of involvement	Relation to Russia
Poland	Top priority	Ukraine, Belarus	Before 2004 enlargement	Tense
Baltics	Top priority	Ukraine, Belarus, Southern Caucasus	Mainly after 2004	Tense
Visegrad (-Poland)	One of several priorities	Ukraine, Moldova	Mainly after 2004	Cautious
Bulgaria+ Romania	One of several priorities	Black Sea, Moldova	Mainly after 2007	Good
Slovenia	Less important	Both South and East	Mainly after 2004	Good

4 - Source: Kratochvíl (2007)

The most sophisticated ranking of the new member states of the EU, according to their ENP profile, was developed by Elsa Tulmets and Petr Kratochvíl; they (see Kratochvíl; 2007) define five categories for the East Central European EU members:

1. *Poland*
2. *The remaining three Visegrad countries (the Czech Republic, Hungary, Slovakia)*
3. *The Baltic countries (Estonia, Latvia, Lithuania)*
4. *The Balkan members (Bulgaria and Romania)*
5. *Slovenia*

The matrix above corresponds with observations of another analyst: "The most significant and widely known example is the activity of Poland and Lithuania during Ukraine's crisis in late 2004. The new member states have also been active in bringing up the situation in Belarus and contributing to a stronger EU policy against the Lukashenka regime. ...the Czech Republic aims to be a specialist on Moldova; and Slovakia has chosen specialisation in Ukraine." [83]

4.4 Visegrad Countries and Global Security Challenges

Terrorism, proliferation of weapons of mass destruction (WMD), including missile technology, environmental degradation, and lack of natural resources are among the most cited global threats. Global security challenges (terrorism, proliferation) are not the optimal common denominator to further security dialogue within the V4 as was demonstrated by recent disputes

[83] *Gromadzki (2006)*

about the US missile defence third-site deployment in Central Europe. We will illustrate this referring to surveys on public perception of security risks and threats in the Czech Republic.

Interestingly, of the above mentioned global threats, only terrorism was explicitly mentioned in recent surveys conducted by the Public Opinion Research Centre of the Czech Academy of Sciences (December 2006 and 2007 - see Table 2). Respondents were asked to consider four specific issues (terrorism, organized crime, migration, and national minorities) and whether they pose a risk for peace and security in the Czech Republic.

Do you consider following a threat to peace and security?	serious		big		small	
	´07	´08	´07	´08	´07	´08
	%	%	%	%	%	%
international organized crime	62	69	27	25	5	2
terrorist groups or individuals	53	59	36	31	5	5
refugees from other countries	16	18	55	53	22	22
national minorities in CR	10	11	55	50	28	34

Source: Public Opinion Research Centre, http://www.cvvm.cas.cz/

According to this survey, almost 90 per cent of respondents consider international organized crime and terrorism to be a serious or big threat. Refugees from other countries or national minorities seem to be of serious concern to a slight majority of respondents. Climate change is not even mentioned, although it is discussed at length in public[84].

As for the proliferation of WMDs, it is not clear why proliferation was not mentioned in the survey, notwithstanding the suggested deployment of a WMD third-site in the Czech Republic that has been legitimized by the threat of Iran acquiring nuclear and ballistic missile capabilities.

A recent poll[85] *has shown steady but quite inconsistent views from the Czech people on potential deployment of missile defence facilities in the country: 65 percent of the respondents are against the planned deployment of U.S. anti-missile radar in the Czech Republic, 28 percent would approve it. According to 70 percent of the respondents, this question should be decided in a referendum, 22 percent disagree with holding a plebiscite in this matter. Nevertheless a majority of the Czechs (69 percent) expects that the Czech parliament will pass the agreements on radar. It is difficult to explain such a dichotomy of preferences and expectations.*

[84] *See Václav Klaus numerous contributions to the climate change debate.*
[85] *Public Opinion Research Centre, http://www.cvvm.cas.cz/index.php?lang=1*

According to the Centre for Empirical Research (STEM), the opinion that Russia is the biggest threat to the Czech Republic decreased between 1994-1997 from 57 percent to 49 percent and has continued to steadily decrease since.

According to the above mentioned surveys from December 2007 and December 2006, there is no specific threat perception regarding concrete states[86]: more than 20 percent see no state as a threat, 30 percent did not know or did not respond. The respondents who mentioned specific states referred to following ones: Iran 17 percent (16 percent 2007), Iraq 16 percent (24 percent 2007), Russia 16 percent (10 percent 2007), US 12 percent/9 percent, Afghanistan 8 percent/10 percent, China 7 percent, North Korea (10 percent 2006), Pakistan, Germany, Israel 3 percent, Palestine, Ukraine 2 percent.

These results roughly correspond to another survey[87] concluding that "almost ninety percent of Czech citizens (87 percent) do not feel in any way externally threatened." The respondents identified the following potential geographic sources of threat: Russia (10 percent of the overall number of respondents), the Balkans (7 percent), and "the East" - which may include Russia – (5 percent).

Some opinions are against international engagement in general - arguing that arms transfers, involvement in regional crises, and military interventions globalise security threats and cause a higher exposure of the Czech Republic to global risks. This attitude calls for caution or inaction vis á vis international conflicts or humanitarian crises. There are no hard data available to quantify this attitude which could be described as "autonomist" or "provincial".

4.4.1 The 'Atlanticism' of V4 Countries

The "new Europeans" from the former Vilnius 10 Group seemed to join the Atlanticist camp in a crucial moment of the Trans-Atlantic relationship. It is not clear to what extent attitudes toward the 2003 Iraq war represent a long term trend and durable commitment. The Atlanticist approach of the V4 has been largely determined by the traditional emphasis on "hard security guarantees" (Article V of the Washington Treaty) notwithstanding a very low credibility of NATO commitment to defend new members[88]. According to a survey made before the first wave of NATO

[86] *The survey posed an open question: "Which state you consider a potential threat to the CR?"*
[87] *Source: Gabal et cons. (2002)*
[88] *Reiter (2001)*

enlargement in autumn 1998[89], only 31 percent of the US public agreed that the United States had a vital interest in Poland (in contrast to 87 percent regarding Japan), and only 28 percent approved the use of U.S. troops in response to a hypothetical Russian invasion of Poland.

Since their accession to the EU, the V4 countries tend to balance the European and Atlanticist dimensions of their security policy. Some even speak about "Europeanization" of the foreign policy of new member states. The trend has been strengthened by growing dissatisfaction with US foreign policy[90]. However, Central Europeans tend to pursue a less competitive and more cooperative approach towards the US within the EU. Therefore, there is no reason to view the EU Eastern enlargement as a drifting apart from trans-Atlantic relations or a geopolitical shift towards Russia.

4.4.2 The Limited Resources of the V4

The nominal potential of the Visegrad countries and their relative weight in Europe can be illustrated by statistics:

- *the V4 stretches over more than 500,000 square kms with almost 55 million inhabitants, roughly on a par with the territory and population of France;*
- *the V4 combined nominal GDP in 2008 amounted to more than 800 bilion USD which is approximately that of the Netherlands or Turkey.*

However, in terms of military potential it lags behind Western Europe considerably:

- *the combined defence expenditures of the V4 amounted to 13.2 billion USD in 2007, which represents 22 percent of French spending, or is on par with that of Turkey;*
- *regarding the total number of armed forces – 213,000 (Poland alone has 150,000) - the V4 could be compared to Germany or the United Kingdom.*

The gap is much wider in other parameters, e.g., in the number of deployable expeditionary troops; or concerning the innovation potential of the defence industry, the V4´s capabilities are much lower than those of other European allies.

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[89] *John E. Reilly, American Public Opinion and Foreign Policy, 1999 (Chicago: Chicago Council on Foreign Relations,1999)*

[90] *Between 2002 and 2005 the US foreign policy was considered negativelly by more than half of the public*

A Case of Czech Defence Spending

The Czech MOD reform plans before NATO accession were premised on a defence budget of 2.2 percent of GDP, and the government pledged to maintain this level after the country's accession to NATO. In 2000, the Czech Republic was reported91 to pledge to increase the share of its gross domestic product devoted to defence by a tenth of a percent per year. Yet defence spending has been reduced since then to its current (2008) level of cca. 1.5 percent.

Therefore, the Czech MOD had to revise its ambitions and cancel or postpone many projects. Before 1998, army development concepts and acquisition plans were made in a conceptual vacuum, based on a variety of lower-level doctrinal documents. This led to a waste of acquisition resources which continued even after the Czech Republic´s entry into NATO. The most striking examples92 are presented by the project of the modernization of T-72 battle tanks (initially 300, than reduced to 140, and finally to 30); the project to procure 72 (!) domestic subsonic aircrafts (Aero L-159); and the project to procure supersonic fighters in the end was modified for leasing 14 Gripen aeroplanes (price for 10 years – 20 billion CZK).

4.4.3 Regional Security Projects - Attempts and Failures

In the security area, few projects have successfully promoted regional cooperation. Most of the contingents sent to foreign military missions were on a national basis and have not reflected ambitions in regional cooperation. Instead of building an integrated sub-regional system of air defence management – an option that was discussed with Poland as early as 1996 – the Czech Republic decided to go it alone. A missile defence project promoted by the US during the G.W. Bush administration also illustrates this lack of regional cooperation.

4.4.4 Towards a Visegrad International Brigade?

In 2000, Poland suggested that a joint Czech–Polish–Slovak brigade be established. After approval by the Defence Ministers in 2001, the final agreement was signed by the respective Chiefs of Staff on May 30, 2002 in Topolčany , the site of the proposed joint headquarters formed by the participating nations. The joint brigade (2,500 troops) was planned to become operational in peace missions by 2005. However, because of a lack of resources assigned to this project, it has remained on paper only.

[91] *See Reiter (2001) - interview with Pavel Telička, deputy minister of foreign affairs of the Czech Republic, Prague, May 19, 2000*
[92] *Šedivý (2005)*

4.4.5 Other Joint Military Projects

Poland is actively participating in a Polish–German–Danish armed corps North–East, and joint peacekeeping battalions with Lithuania and Ukraine.

Denmark, Germany, and Poland signed the Corps Convention in the autumn of 1998, and a joint headquarters was established in Szczecin on September 18, 1999. Since then other nations have joined the Multinational Corps Northeast: Estonia, Latvia, and Lithuania (2004), the Czech Republic (2005), Slovakia (2006), Romania (2008), and Slovenia (2009). Headquarters Multinational Corps Northeast[93] became fully operational in 2005 and is prepared to deploy on order of the Supreme Allied Commander Europe (SACEUR), to an area of operations designated by SACEUR, for sustainment and rotation, for prolonged operations, and to undertake combined, joint military operations across the operational spectrum.

A Polish-Lithuanian Battalion was established in the 1990s and became fully operational in 1999. It includes 435 Polish and 351 Lithuanian soldiers[94].

A Polish-Ukrainian Peace Force Battalion was established in 1998 and achieved operational readiness in 1999. The battalion's operation in Kosovo commenced on 18 July 2000 and has continued ever since. It includes about 300 Polish and 180 Ukrainian soldiers[95].

4.4.6 Czech-Slovak Military Cooperation96

The Czech Republic and Slovakia formed a joint peacekeeping battalion for KFOR comprising 416 Czech soldiers and 100 Slovak soldiers, deployed in March 2002. This formation was rotated till July 2005. The Czech Republic and Slovakia also formed a joint NBC protection battalion (290 Czechs and 74 Slovaks) which was deployed as a part of "Enduring Freedom" operation in Kuwait in 2003.

Most of the contingents sent to foreign missions were on a national basis and have not reflected ambitions in regional cooperation. The joint Czech-Slovak battalion in KFOR (in 2002-5) was a notable exception. The Czech unit operated within the British sector of the Multinational Forces in Iraq (2004-6), and not as a part of the Polish sector, as one could have expected.

[93] *http://www.mncne.pl/*
[94] *http://www.mon.gov.pl/en/strona/128*
[95] *http://www.mon.gov.pl/en/strona/129/LG_90_93*
[96] *http://www.army.cz/scripts/detail.php?id=5717*

The Visegrad countries have considered the establishment of a joint V4 battle-group in from a long-term perspective[97]*. The EU Battle-groups are composed of approximately 1,500 troops; plus command and support services, they are intended to be deployed on the ground within 5-10 days of approval from the Council, and to be sustainable for at least 30 days. However, judging from recent developments - fifteen EU battle-groups have been established, most of which consist of multi-national contributions - the V4 countries opted for ad hoc formation of battle-groups together with other EU countries:*

- *the Italian-Hungarian*[98]*-Slovenian Battle-group (component parts are the Italian Alpini Brigade Julia, the Slovenian 10th Motorized Battalion, and the Hungarian 1st Light Infantry Battalion) assigned for stand-by in July-December 2007;*
- *the Polish-led Battle-group (Poland, Germany, Slovakia, Latvia, and Lithuania) assigned for stand-by in January-June 2010;*
- *the Czech-Slovak Battle-group (1800 troops) has been approved by both governments and became operational, and was assigned for stand-by in July-December 2009. Another German-Czech-Austrian Battle-group has been under consideration.*

4.4.7 Arms Procurement and Modernization

A steady decrease of budget spending notwithstanding, there are potential reserves to curtail waste of budgetary resources available. Effective international cooperation and coordination with neighbouring NATO Allies through burden-sharing in defence procurement or acquiring joint defence systems would save national resources.

However, because of initially naïve assumptions about the comparative advantages of the defence industry in the Visegrad countries in cooperation with Western companies, and because of high expectations regarding opportunities to make final products and systems, representatives of the defence industry decided to stick to their alleged prestige and reputation. They followed a mirage of valuable offset programmes and were slow to develop joint regional programmes of

[97] *according to final Communiqué of the Ministers of Defence of the Visegrad Group Countries, Bratislava, 12 April 2007 they "welcome(d) the discussion on a possible establishment of an EU Battle Group of the Visegrad Group countries in the horizon beyond 2015."*

[98] *Hungary is pursuing similar activities through joint peacekeeping battalion with Romania*

production. Contrary to political declarations[99] of good will, the Visegrad countries' defence establishment proved to be unable to agree on common technical and tactical specifications for future procurement projects. This resulted in individual choices leading to duplications and redundancies in army procurement.

In the 1990s, all of the Visegrad countries individually ventured into modernization projects of older, Soviet-made weapons systems. The V4 countries considered, though unsuccessfully, a joint modernization program for the MBT T−72 in Poland, Slovakia, and the Czech Republic. Even relatively modest plans for joint modernization of 100 Mi-24 helicopters by the V4 have also failed. Although an international agreement was signed by the V4 defence ministers on May 30, 2002[100], it was never implemented. A failed attempt at joint Visegrad modernization of Mi-24 battle helicopters has shown that even an intergovernmental agreement creates no more than a legal precondition, which could not work without a proper practical cooperation mechanism.

For example, in the area of air defence management, instead of joint modernization of the Visegrad air forces, or even building an integrated sub-regional system – an option that was discussed as early as in 1996 – the Visegrad countries decided to go it alone.

4.4.8 Tenders for new multi-role supersonic fighter jets

After considering the modernization of the Soviet-built air force (through upgrading the Mig− 29, Mig−21, Su−22, etc.) the Czech Republic, Hungary, and Poland decided to acquire new jets. US suppliers offered the F−16 from Lockheed Martin and the F/A−18 from Boeing/McDonnell Douglas, while European suppliers the JAS−39 Gripen from BAE Systems/SAAB, Eurofighter from EADS, and Mirage 2000 from Dassault. The original Czech deal[101] was not approved by the Czech Parliament and later became a matter of various accusations[102] because of a lack of transparency. Hungary,[103] and later also the Czech Republic,[104] decided to lease for 10 years 14

[99] *In 2002 and 2003 political leaders of V4 repeatedly endorsed co-operation in the field of defence industry, military procurement and research and development and a harmonization of activities related to current questions of military upgrading.*
[100] *http://www.army.cz/images/id_8001_9000/8437/003.pdf*
[101] *In 2001, the Czech government under social democratic Prime Minister Milos Zeman, signed a deal to buy 24 Gripen fighter jets from BAE Systems/SAAB for £1.5 billion.*
[102] *Swedish TV "Secret Deals" - http://svt.se/2.101059/1.1447173/gripen_-_the_secret_deals?lid=puff_1362345&lpos=extra_1*
[103] *14 Gripens (12 JAS-39C + 2 JAS-39D) on a lease-and-buy arrangement*
[104] *14 Gripens (12 JAS-39C + 2 JAS-39D) on lease*

JAS−39 Gripens produced by BAE Systems SAAB, thus postponing effectively the final procurement decision.

In 2002, Poland was offered 23 NATO inter-operable MiG-29s by Germany (per 1 EURO each), to add to the current Polish inventory of 22 MiG-29s. Poland also considered offers by BAE Systems (JAS-39) and Dassault (Mirage 2000-5 Mk II). Nevertheless, on December 27, 2002, Poland's Minister of Defence announced Poland's decision to purchase 48 F-16 fighter aircrafts from Lockheed Martin. The deal, amounting to $3.5 billion, was sealed on April 18, 2003, and included an offset package of $6 billion, to be invested in Poland over a 10-year period and favourable U.S. Government-backed low-interest financing. According to Sequin (2007), "politics played the predominant role in the Polish government's decision to buy the F-16…The F-16 was representative of Poland's relationship with both the U.S. and NATO."

The same pattern of air force procurement has been repeated with individual tenders for transport planes. However, all Visegrad countries joined the NATO sponsored air-lift initiative[105].

4.5 Conclusions

As Urban Rusnák has observed, conditions do exist for a successful Visegrad cooperation: the content of the cooperation should be in consonance with the national interests of all partners, expectations should match an achieved 'level of mutual harmony', common goals should be adequate to the existing cooperation mechanism, solidarity is not merely given, but should also be created and cultivated, and public support is a function of real efforts, not declarations.

In the area of regional security cooperation there are several challenges ahead including the following:

- *building mutual interdependence in security cooperation by further specialisation and fostering solidarity;*
- *seeking optimal cooperation in the EU security and defence market space (joint projects, training, and acquisitions);*
- *strengthening the parliamentary dimension of security dialogue (e.g., regular meetings of*

[105] *NATO Strategic Airlift Capability - with C-17s based at Pápa Air Force Base in Hungary - is supported by Bulgaria, the Czech Republic, Denmark, Estonia, Finland, Hungary, Italy, Latvia, Lithuania, the Netherlands, Norway, Poland, Romania, the Slovak Republic, Sweden, Slovenia and the United States.*

the Chairmen of Defence and European Integration Committees) as a way of bringing more sustainability to V4 cooperation;

- *regional military cooperation – joint exercises, multinational units (e.g., further development of the battlegroup concept), and joint operations in missions abroad.*

5 THE PRACTICE OF SMALL STATE CO-OPERATION WITHIN THE EU AND THE RECENT EXPERIENCE OF THE VISEGRAD COUNTRIES

"The European identity had one very important dimension that was not made explicit, though it was encoded in the form of collective security that the EEC, later the EC, and eventually the EU provided. This was the acceptance that the long-term form for framing human communitites would be the state, that the European state was a nation-state and, therefore, that national cultures would be afforded a degree of protection by the organisation that had the task of developing the European identity. (…) But whereas in the 1950s there was a readiness to bury differences and to attempt to move towards something that resembled the beginnings of a merger, by the 1960s a reaction set in and the national element, as articulated by the state, reasserted itself, most obviously as Gaullism.

What was lost from sight in the process was that the European small state, which is after all the norm in Europe, was being offered as much status in the European Union as the large states. This was close to revolutionary. Despite Westphalia and the formal recognition that all sovereign states were supposed to enjoy, the reality in the inter-war period was that small states were marginalised, ignored, andinvaded whenever the interests of the Great Powers so dictated.

(…) The EU changed this. It offered small states equality of status and esteem, equal access to power within the EU, and a somewhat higher access to power outside Europe via EU membership. This was enormous gain, not least because small states had no need to seek patrons and thereby destabilise the overall system of collective security. In this sense, European identity has to come to include a much higher degree of recognition for small states, and, thereby, for small cultures, than ever before. This has considarable significance for the aspirant states of Central Europe and, eventually those of Southeastern Europe, too."[106]

5.1 What constitutes a small state in the EU? Small European states in the globalised world

The well-known Hungarian-British historian George Schöpflin's lines are worth quoting at length. He cleverly outlines the EU's road from the Rome Treaty up to the 2004 Enlargement in terms of its approach towards small countries and cultures. No wonder, that he calls the equality of European states within the EU 'revolutionary' and highlights the natural attraction of this

[106] *George Schöpflin: Identity politics in Europe after Eastward Enlargement in J.Jensen (ed.) Europe Bound: Faultlines and frontlines of security in the Balkans, Savaria Univeristy Press, Szombathely, 2003, pp. 291-292*

principle for the small states of Central and South-East Europe. The equality of member states has been a fundamental principle of the European Union since its inception. Since the 'Luxembourg consensus' (1966), when the institution of the national veto was introduced to satisfy French worries, on paper, Germany with 82 million inhabitants is equal to Luxembourg with 300,000 inhabitants. In reality, of course, Germany cannot be equal with the tiny Luxembourg, but the interests of smaller member states have been respected officially in EU Treaties for a long time. In the words of an interesting analysis from the very influential think-tank, Notre Europe, established by Jacques Delors, perhaps the most successful Commission president ever:

"The tension between large and small countries has always been part of EU politics - a trait shared with all federal experiences. Three mechanisms established by the founding treaty have long helped reduce the intensity of these conflicts: the system of weighted votes in the Council, the role and representativity of the Commission, and the rotating presidency have all preserved the basic principle of equality among member states, while giving the larger ones a preponderant role."[107]

To start off our investigation, whether or not small member states are able to maximise their interests in the EU of 27 and to balance out the disadvantages arising from their size and influence, it would be useful to sort out what exactly it is to be a small state in the EU. Before we try to narrow down the characteristic features of a small state, it is worthwhile quoting Diane Panke, the Irish commentator on small states, who expresses her doubts about precise definitions concerning smallness when analysing EU member states:

"In the European Union (EU), size is often determined based on economic and financial power (GDP), political power (votes in the Council, number pf MEPs), population, or territory. Size is a relative concept. Even if the crude line between 'small' and 'big' is drawn based on the below/above EU-27 average, the groupings vary depending on the measures used."[108]

Having said this about the relativity of the small state concept, it is still useful to list some features, which could classify states according to their influence and power:

[107] *Paul Magnette and Kalypso Nicolaidis: Large and small member states in the European Union: reinventing the balance, Notre Europe, Research and European Issues No.25, June 5, 2003.*
[108] *Diane Panke: The influence of small states in the EU: structural disadvantages and counterstrategies, UCD Dublin European Institute Working paper 08-03, May 2008.*

- *economic resources and competitiveness;*
- *geostrategic locations and military capabilities;*
- *cultural reputation;*
- *internationally recognised leaders;*
- *innovation and research-development;*
- *maximising national interests in multilateral forums and international organisations.*

Considering these characteristics above, we would argue that there are six big countries in the EU (Germany, Britain, France, Italy, Spain, Poland) while the remaining 21 states are small states. Of course, this categorisation is a bit of a simplification, for instance, the Netherlands with its 16 million inhabitants considers herself a 'medium-size' member state or the biggest of the small states, due to its economic might and major Dutch global companies (Phillips, SHELL, KLM, ING). In addition, the real influence of Spain and Germany cannot be compared, and they are still classified as big states. So one could argue, considering the factors above, that the real big states are Germany, Britain, France. As it was argued above, one of the most important aspects of interest maximization for any member state is their voting weight in the council. Historically speaking, the smaller members have always been positively discriminated for in terms of their voting weights. Since the Nice Treaty (2000), a fundamental campaign by the larger member states - especially Germany - has been started to 'correct' the voting system, in other words, to increase the relative voting power of the 'big three' (Germany, UK, France). There has also been another very clear tendency since 2000, that is, a more and more intergovermental approach to European integration. These tendencies were practically encoded in the Lisbon Treaty, which entered into force on 1 December 2009, and which, according to most analysts, will be the institutional framework for the EU in the next 10-15 years. The influential Oxford Analytica summarises these processes in the following manner:

"In most areas of Council decision-making, the Lisbon Treaty's shift to qualified majority voting (QMV) changes the power balance in favour of big member states such as Germany, France or the United Kingdom under the old Nice Treaty, small and medium-sized EU member states received a disproportionately large share of the votes. The Lisbon Treaty shifts to a voting procedure based on population size. A qualified majority is reached when at least 15 member states representing at least 65% of the EU's population consent. As a result, the voting shares of the big three rise from an equal share of 8.4% (or 29 votes) under the Nice formula, to

approximately 16.5% for Germany, 12.5% for France and 12.2% for the United Kingdom.

(…) The EU-3 of the United Kingdom, France, and Germany has been firmly established as an informal leadership mechanism in the EU well beyond its formal participation in the so-called 'P5 plus Germany' talks with Iran. It will become more important in the coming years, since international pressure on European states will grow to give up privileges in international institutions."[109]

In order to balance these negative tendencies, small states have to think hard and long. They, however, do not constitute a coherent group when voting. They more often than not build their alliances according to their sectorial and political interests. An example of this behaviour is the alliance of the Southern states when lobbying for structural and cohesion funds or the federalist-intergovernmental divide; the Benelux-states are federalist, while most of the Nordic countries, with the exception of Finland, prefer a more intergovernmental approach.

As was argued above, ever since the Rome Treaty was ratified, small states have joined the EU to avoid marginalisation in the global political arena. This way, they can maximise their interests within a larger entity. Within the EU, small states - knowing their limited resources - will try to act as honest brokers among member states. This policy requires a concentration of resources, as, very often, small states can have a much larger influence than their actual size. With the Lisbon Treaty coming into force, the very clear weakening of the rotating presidency also endangers this opportunity for small states.

The previous mantra about the flexibility and competitiveness of small states in the world economy has also been put into question due to the recent economic and financial crisis. Hence, the economic power of small states has also been downgraded and their influnce weakened accordingly also in the EU. It is a rather telling illustration of these tendencies in how two leading columnists of the Financial Times foresaw the problem five years ago and see it now. Samuel Brittan argued in 2003:

"It is a diplomats' myth that modern technology requires very large states. Look at the size of some the new countries lining up for admission to an enlarged EU to see

[109] *European Union: Large members shape foreign policy, Oxford Analytica, Tuesday, December 8 2009.*

small states can be viable. The greater the role of competitive markets, both internally and across borders, the less the exact size of the state matters and the easier it is for countries of all shapes and sizes to coexist".[110]

While Gideon Rachman wrote in October 2009:

"In the aftermath of the Great Recession, the economic and political tide has turned against small nations. Look around Europe and it is the smalls that have fared worst - Iceland, Ireland, the three Baltic states."[111]

So altogether, at first sight, global economic and political tendencies make it harder for the small EU members to maximise their interests in the enlarged Europe. Accordingly, a vital question emerges of how these states can turn the tide and balance all of the negative tendencies outlined above. It is quite clear that one of the most efficient tools of counterbalancing these tendencies is institutionalising coordination on a regional basis. There are several regional alliances of this sort (Baltic, Benelux, Nordic, Visegrád) in the enlarged Union. In the following section, we will briefly analyse the Nordic and Benelux regional cooperation, while the second part of this paper will be devoted to in-depth analysis of the relationship between EU integration and the Visegrád Group.

5.2 Enduring formations of regional co-operation of small states in the EU: The Nordic Council and the Benelux co-operation

5.2.1 The Nordic Council

The so-called 'Northern societies' already existed in the 1920s; these civil society groups tried to advance the idea of cooperation among Scandinavian states. Political discussions among ministers started very early about Nordic cooperation, as early as the 1920s, but the Nordic Council (NC), as the fundamental governing body of this cooperation was only established in 1953. The Nordic Council was seriously reformed in 1971, when the Nordic Ministerial Council (NMC) was formed. The permanent institutions of the cooperation are as follows: the Nordic Council, the Nordic Ministerial Council, and the Nordic Cultural Council. The Nordic Council is a forum for national parliamentarians, the Ministerial Council for government cooperation. The two

[110] *Samuel Brittan: Small states are sometimes best, Financial Times, March 14, 2003.*
[111] *Gideon Rachman: How small nations were cut adrift, Financial Times, October 19, 2009.*

council formations hold frequent meetings, in this respect both Scandinavian parliamentarians and ministers are in constant political contact. To finance their cooperation, various banks and development funds were created (e.g., the Nordic Investment Bank and the Nordic Enviromental Fund).

The Nordic cooperation faced a very serious challenge when Iceland decided not to submit its application for EU membership after 1990 (as a result of the catastrophic impact of the global financial crisis, Iceland finally did submit its application in 2009). In reality, it meant that a number of achievements of the Nordic cooperation - such as the Nordic Passport Union or minority rights for the Sami people - were expected to be negotiated at Sweden's, Finland's and Norway's EU accession negotiations. The EU – although it has no relevant legislation on national minorities - respected the special minority rights regime for the Sami people of Norway, Sweden, and Finland; and nor was this endangered by the fact that Norway refused accession at its membership referendum. The Nordic countries managed to negotiate a special cohesion fund (Northern perspective) for those territories inhabited by the nomadic Sami people. All of those Sami groups which lived within Norwegian territories were also the recipients of similar funds from either the EU's Interreg-program for cross-border cooperation or other special Nordic Council funds. Independent of EU accession, extra rights - both linguistic and cultural and self-government - for the indigenous people of Scandinavia were provided in the Nordic Council programme of 1995. As a result of these initiatives, the rights of the Sami people did not suffer when Finland and Sweden joined the EU, and Norway did not join in 1995.

The problems arising from Iceland's and Norway's non-membership in the EU concerning the Nordic Passport Union were a tricky part of Finland's and Sweden's accession negotiations. After long negotiations, a deal was made according to which Iceland and Norway practically joined the Schengen Union in 1995. Both Reykjavik and Oslo had technical agreements with the EU, as a result of which both countries promised to integrate into their national legal system every EU legislation concerning the Schengen cooperation. These agreements were updated in 1996 and 1998.

The negotiations which led to the agreements concerning the rights of the Sami people and the Nordic Passport Union between the Nordic Council and the EU fundamentally changed the relationship between the two organisations. This was the beginning of a structured dialogue between the two bodies. The most intense relationship started between the Nordic Council and

the European Parliament. In addition, the Nordic Ministerial Council initiated a yearly meeting between the NMC and the Scandinavian EU-ambassadors to improve the flow of information among the EU- and non-EU-member participants in the Nordic Cooperation. There is also a cooperation network among Nordic capitals, NMC, and the Scandinavian EU-permanent representations. This initiative is exemplary and shows a very successful cooperation model between the EU and a regional grouping, which has both EU-members and non-EU-members. All the members of the Nordic cooperation participate in the work of the EU single market, which has been, since 1984, in the framework of the European Economic Area (EEA). They also accept and integrate all the EU legislation in the field. There is also a very serious legal harmonisation within the Nordic Council, in this way the non-EU-members practically are also participants in the EU legal harmonisation processes. There is a unified Nordic position in a number of sectoral policies, which are of outstanding interest to the NC. These are as follows: consumer protection, the environment, and education. There is also a special Nordic fund to provide additional funding for EU Interreg and cross-border programmes.

A new aspect for Nordic cooperation was a coordinated policy for the advancement of the EU accession for Baltic countries (1995). They initiated a very close cooperation with the Baltic Ministerial Council and The Baltic Assembly. The NC and NMC started a number of expert and student exchanges and also provided professional help for the modernisation of the public administration of the Baltic states. These programmes were financed by the Northern Fund. Without doubt, the professional help from the NC and the NMC played a pivotal part in the successful accessions of Estonia, Latvia, and Lithuania.

We believe that Gunnar Lassinanti, the Swedish observer of European regional cooperation and small states within the EU is correct when he talks about the successes of Nordic cooperation:

> ***"Nowhere else in the world are so many new, broad subregional cooperation structures with new institutional arragements being built up as in northern Europe. Apart from the Nordic cooperative cooperative organisations, chiefly the Nordic Council and the Nordic Council of Ministers, the dismantling of the blocs has served to simulate the establishment of the Council of the Baltic Sea States (CBSS) and the Barents Euro-Arctic Region, BEAR, along with its cooperative bodies, the Council of Ministers and the Regional Council. In addition, an Arctic Council for wider arctic***

cooperation has also been set up. Cooperation in these new forums focuses on civil areas, contacts with and between citizens, and civil security."[112]

As was argued in the introduction, the power of a small state is also dependent on its geo-strategic location, that is, whether or not there is a major power in their vicinity, which may have hostile intentions. For the Baltic and Nordic countries, there is, no doubt such a country, that is Russia. Historically speaking, the Soviet Union/Russia has always been a hostile power which has started wars against its neighbours. For long decades, Finland, and later the Baltic states, were part of the Russian/Soviet empire. Both in terms of hard and soft security, Russia is still a threat to the small countries of Northern Europe. This threat analysis is shared by a Lithuanian analyst - coming from a new member state, which is also a NATO-member - and also an analyst from an 'old member state', which is neutral, that is Sweden. Arunas Molis, the Lithuanian analyst argues:

"Membership in NATO has always been the most important security guarantee. This is related to the support of the US during the years of the Cold War and the threat of Russia that encouraged them to put more effort into acquiring a strong international security guarantee. If ESDP pushed the US out of the European security system, this could condition a more extensive influence from Russia. Therefore, the Baltic states constantly emphasize that they view ESDP in a wider framework of transatlantic relations, where the actions of the EU complement the actions of NATO"[113]

While Gunnar Lassinanti from Sweden observes:

"It remains unclear what course Russia is likely to take, and this is the greatest element of uncertainty in Sweden's defence and security policy."[114]

In terms of a soft security (environment, justice, and domestic affairs, etc.), the Northern States have always been very active within the EU framework. The Finnish presidency of the second half of 1999 started the so-called 'Northern Dimension' programme (the idea was initiated by Helsinki

[112] *http:// Gunnar Lassinantti: Small States and Alliances – A Swedish : Perspective, www.bmlv.gv.athttp://www.bmlv.gv.at/pdf_pool/publikationen/05_small_states_10.pdf.*
[113] *Arunas Molinas: The role and interests of small states in developing European security and defence policy, Baltic Security and Defence Review, Volume 8, 2006, p.88.*
[114] *Lassinantti, p.91.*

as early as December 1997). The project was phased into two parts. In the first phase, attempts were made to assess the actual interests and proposals from the EU and the Nordic States, while, in the second one, all those who were non–EU stakeholders were approached: the Baltic states, Poland, and Russia. In this way, the interests of the Nordic cooperation was 'Europeanised'. As a result of the earlier Nordic and Baltic activity, the European Commission adopted a Communication on the EU Strategy for the Baltic Sea Region on 10 June 2009. It is clear that, since 2004, challenges facing the region have escalated (environment, economic disparities, poor transport infrastructure). Accordingly, eighty flagship projects are listed in the accompanying Action Plan, which address the four strategic priorities of the Baltic Strategy:

- *Environmentally sustainable development (e.g., reducing pollution in the sea);*
- *A prosperous economy (e.g., promoting innovation in small and medium enterprises);*
- *Creating an accessible and attractive region (e.g., better transport links);*
- *Creating a safe and secure region (e.g., improving accident response).*

In addition to the Northern Dimension and the Baltic Strategy, on 26 May 2008, a joint Swedish-Polish proposal was announced; it attempted to anchor those post-Soviet states to the EU which have no real chance for EU-membership. The initiative was a success and was picked up by the trio-presidency of France, the Czech Republic, and Sweden. In other words, another new Northern-Baltic initiative was 'Europeanised'. On 8 December 2009, the Swedish EU presidency organised a successful EU-Eastern Partnership foreign ministers' meeting.

Altogether, one could argue that the Nordic cooperation seems to be a very efficient regional grouping. Even after 1995 when two members joined the EU, Sweden and Finland, they managed to increase their ability to maximise interests. They not only managed to preserve the achievements of the regional cooperation (the passport union and rights for the Sami people), but also provided strategic help for the Baltic states' EU accession. Since 1995, they have managed to 'Europeanise' some of their strategic priorities in EU programmes such as the Northern Dimension, the Baltic Strategy, and the Eastern Partnership.

5.2.2 The Benelux cooperation

The origins of the Benelux cooperation are substantially different from those of the Nordic cooperation. For a starter, the Benelux countries were among the founding members of the EU. Moreover, it was the Benelux declaration that was discussed in Messina in 1955, which could be

considered to be a very important milestone on the road to the Rome Treaty. In addition, it was a Benelux proposal that was the basis for resolving the conflicts around de Gaulle's initiative for a more intergovernmental EU in the first half of the 1960s. So, unlike the Nordic group, the Benelux countries have stood up for a more federal EU since the beginning of the integration process. After Maastricht, when the main goals of economic integration were realised, the Benelux group turned its attention towards the completion of the political Union. During these discussions, some internal divisions came to the surface, while the Netherlands was interested in an Atlantic oriented solution to European security, Luxembourg and Belgium - under obvious French pressures - turned towards a European security architecture without a strong American presence. The Benelux memorandum which was published in the autumn of 2000, was by-and-large a traditional federalist document. But internal divisions were quite visible; the French-speaking and the Dutch-speaking Belgian communities have divergent views about the future of Belgium and the European Union. The Netherlands, as the biggest country in the group, has no special priorities about the future of the Benelux cooperation. These days, Belgium is the driving force in the Benelux group. At the Nice summit, it was no surprise that the Dutch opted for a voting formula that was much more favourable to the Hague than to Brussels. It is a rather telling example of the difficulties of the Benelux cooperation that there is no separate chapter on the Benelux cooperation either on the website of the Dutch or on that of the Belgian Foreign Ministry. In spite of the internal divisions above, the Benelux group has always presented an unified front when it was about institutional questions. They have always been the staunch defenders of the community method and the strengthening of the EU institutions, especially the Commission and the Parliament. Their most recent joint paper clearly illustrates the fears of the small member states concerning the implementation of the Lisbon Treaty. This paper clearly stands up for the interests of the smaller countries:

> ***"In the view of the BENELUX countries, it is more necessary than ever to ensure, once the Treaty of Lisbon has entered into force, the inclusive, orderly and transparent nature of the decision-making process, and to guarantee the maintenance of the Community method and the institutional balance of the Union that have been the basis of the success of European integration."[115]***

[115] *BENELUX document Implementation of the Treaty of Lisbon, http://www.irishtimes.com/blogs/stateoftheunion/2009/10/06/the-benelux-strikes-back-against-blair/.*

All things considered, the institutionalization of the Benelux group is less deep than that of the Nordic group. It seems to be a more informal grouping; their main area of cooperation is the institutional politics of the EU. The deeper regional integration of the Nordic group can be explained by the fact that the participation of non-EU members such as Norway and Iceland create a priority to keep the regional cooperation more flexible and deeper. Also, the accession of the Baltic states gave the Nordic Council a new strategic priority at first, and then after 2004, The Nordic-Baltic relationship gave a new impetus for further developments. The presence of Russia as an external major power also strengthens the impetus for deeper cooperation for the Nordic-Baltic region.

5.3 Small states in the Convention: the dual challenge of enlargement and constitutional change

Representatives of old and new member states of the European Union (EU) signed the accession treaties in Athens on 16 April 2003. This historic event put an end to the division of the continent that had artificially separated its countries and peoples for decades. At the beginning of May 2004, the Union was enlarged to 25 member-states, and on 1 January 2007 to 27. This enlargement accomplished the objective of the Union's founders – namely, a Europe of peace, solidarity, and democracy – and opened a new dimension of a common future for its citizens: a chance to create political and economic unity for the continent.

Enlargement also created new and better conditions than ever before for the EU to take on a truly global role. It is absolutely necessary for the Union to play a political role in the international community that is on a par with its economic weight. This, however, requires not only an efficient common strategy in international relations and a substantive concept of foreign and security policy but, above all, to put all relevant institutional systems and decision-making mechanisms into place.

However, the process of enlargement also reminded us of the necessity to reformulate existing structures and institutions and, at the same time, to put in place the means to implement agreed reforms. In addition to consenting to build up an efficient system of European governance, all the interested parties also agreed that the qualified 'success' of Nice could not have been repeated and that something had to be done to bring Europe closer to its citizens. An observer of the Irish experience with the failed ratification of the Nice treaty rightly argued that the Irish 'No' (June 2001) further deepened the problems of a democratic deficit in the EU:

"The Irish ratification was understood not as an isolated incident but as a very visible reminder of an increasing demand for greater legitimacy in EU policy processes and for the overcoming of democratic deficits in the EU; and it was a stark reminder of the end of integration inertia, and of taking popular support for granted and of increasing opposition to automatic integration everywhere."[116]

The Laeken Declaration on the Future of the European Union of December 2001 clearly expressed the need to overcome the above-mentioned democratic deficit:

"At the same time, citizens also feel that the Union is behaving too bureaucratically in numerous other areas. (…) It has to resolve the basic challenge: how to bring citizens, and primarily the young, closer to the European design and the European Institutions."[117]

In trying to achieve this, the document called for the establishment of a European Convention whose main job would be to prepare for the next intergovernmental conference (IGC) in a more open fashion. Nevertheless, the Laeken Declaration gave a very precise mandate for the Convention and took no chances by stating very clearly that the final say would still belong to a future IGC.

"In order to pave the way for the next Intergovernmental Conference as broadly and openly as possible, the European Council has decided to convene a Convention composed of the main parties involved in the debate on the future of the Union. In light of the foregoing, it will be the task of that Convention to consider the key issues arising for the Union's future development and try to identify the various possible responses.

(…) Together with the outcome of the national debates on the future of the Union, the final document will provide a starting point for the discussions in the Intergovernmental Conference, which will take the ultimate decisions."[118]

[116] *Anna Vergés Bausili: The Constitutional Convention and Ireland, London, The Federal Trust, July 2003, p.2.*
[117] *Laeken Declaration on the future of the European Union, SN 300/1/01 Rev I, pp.2-3.*
[118] *Laeken, pp.6-7.*

5.3.1 New Member States in the Convention

Looking back now, whether or not the Convention was able to satisfy the high requirements set by the Laeken Declaration cannot be answered briefly. Instead, we aim for a better understanding of the role played by the new member states, especially by Hungary, in the work of the Convention. Hungary has always been interested in shaping a strong and efficient Europe. This belief guided Hungary's representatives in the Convention's deliberations. For Hungary, the Convention proved a very useful institution indeed, since it was the first EU body where the fifteen existing member states and the twelve new member states could cooperate as equal partners in a venture tasked to produce a draft European Constitution. Despite the fact that, until the Copenhagen summit in December 2002, most of Hungary's professional and institutional resources had been reserved for enlargement negotiations, representatives of the future member states did gain invaluable personal contacts with representatives of the existing member states and European institutions during the Convention's plenary sessions and working group meetings. In addition, they learned how to build coalitions and shifting alliances in an EU of 27 members. The Convention no doubt became the stage for many networks, and the representatives from the future member states had to learn how to be flexible enough to find their ways among them. Anna Vergés Bausili was right when she points out that, without understanding the role played by these various networks, how they coexisted, and their impact on each other, it is nearly impossible to provide a complete and true picture of the dynamics of the Convention:

> ***„A large number of networks reflected a vast number of divisions and multiple identities, certainly more than those present at the IGCs. (…) Some networks proved rather ad hoc, while some developed from collaboration on specific written contributions to the Convention. Others remained rather small in the number of participants, while those based on party lines were looser but larger in the membership they gathered. In sum, the Convention displayed a very complex life comprising a series of networks operating simultaneously and cross-sectionally, i.e,. individual members belonging to various networks at the same time."***[119]

Many analysts and observers have tried to classify the members of the Convention into this or that category. Most accounts argue that the most fundamental fault lines were those that ran between small states and big countries, new and old member states, and intergovernmentalists

[119] *Anna Verges Bausili, p.4.*

and federalists. These are, of course, very useful categories for analysis, but sometimes reality is more complicated than that. Consider, for example, the diversity among the new member states: while the majority of new member states are considered to be small states, Poland is considered by others and by itself as a large member state, and Cyprus and Malta are regarded as microstates. While the Baltic states' vision of sovereignty is very similar to that of the Nordic countries – that is, intergovernmental – Hungarians, Czechs, and Slovaks gradually became more inclined to federal structures. The founding six EU members – consisting of both large and small member states – tried to provide a basis for a good compromise in the last phase of the Convention, while nine other member states – new and old, small andlarge, intergovernmentalist and federalist alike – argued that the Nice compromise should not be amended in any fundamental way.

Hungary, a country of ten million people, is considered a small member state in the EU. Accordingly, Hungary's interests are in many ways similar to other small and medium-sized member states, which is why it was one of the signatories of the so-called 'like-minded countries' memorandum' in which these countries outlined their vision of the future governance of the EU. Cooperation among the small countries was regarded by many analysts as one of the most successful networks of the many at work in the life of the Convention. The then Finnish Prime Minister, Paavo Lipponen, called for strengthened cooperation between small and medium-sized member states in the context of enlargement by as early as June 2002:

> ***"With enlargement there will also be a Central European dimension. Austrian leadership has played and will play a central role in bringing this region together. We should do more to network other regions, such as the Nordic and Baltic region of eight countries and Benelux with Central Europe. I believe we share many common interests, not least in defending small and medium-sized countries' interests in a new, united Europe."[120]***

At a meeting of the 'like-minded group' in Prague on 1 September 2003, fifteen member states (Austria, the Czech Republic, Denmark, Estonia, Finland, Greece, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, Slovakia, Slovenia, and Sweden) took part. The Benelux states did not participate. The participation of Poland in the work of the group at this late stage was rather

[120] *Former Finish Prime Minister Paavo Lipponen at the European Forum, Wachau 2002, Göttweig, Austria, 30 June 2002.*

interesting, since, in the earlier phase of cooperation, Poland did not take part as it thought that its national interest would lie closer to the bigger EU members and, therefore, that its interests would not coincide with those of the like-minded group. Of course, the details of the national positions within the group differed to a certain extent, but they did share a very important joint platform on the politically most important institutional questions. The press communiqué of the meeting clearly proved the existence of such a common position:

> ***"The participants appreciated the scope of the reforms, which were proposed and supported in the Convention. However, inside this overall compromise, the like-minded countries can identify some issues – ranging from some aspects of institutional structures, decision-making procedures to special types of flexible cooperation – which would require further consideration."***[121]

Altogether, the work of the Convention had been a success, since there was by and large consensus on a number of issues that would make the operation of the Union more democratic and efficient. At closer glance, most of these elements are parts of the Lisbon Treaty which came into force on 1 December 2009. They include:

- *an unified, single constitutional treaty;*
- *the incorporation of the Charter of Fundamental Rights;*
- *an end to the pillar structures;*
- *a new role for national parliaments;*
- *an enhancement of the role of the European Parliament in the election of the President of the Commission;*
- *a new exit clause;*
- *a simplification of legal instruments;*
- *and the double-hatted EU Foreign Minister.*

The EU Summit in Thessaloniki on 19 and 20 June 2003 concluded that the text (largely authored by Valéry Giscard d'Estaing) was a good basis for starting the work of the approaching IGC and that the acceding states would participate fully in it on an equal footing with the existing member states. The European Council also concluded that the new constitutional treaty would be signed by the member states of the enlarged Union as soon as possible after 1 May 2004. Hungary

[121] *http://www.europeum.org/doc/arch_eur/Visegrad_in_Convention.pdf*

welcomed these decisions and was preparing itself for the IGC. Hungary was aware that a complete renegotiation of the draft Constitution could have led to a stalemate. However, there were certain fundamental points considered important for Hungary's starting position in the IGC. The Hungarian mandate for the IGC was a typical 'small state' position (cautious about the Council Chairman, equality of member states, keeping the rotational presidency, official language status for Hungarian etc.). The main points for the Hungarian IGC mandate were the following:

- *Hungary is in principle not against the creation of an office of a permanent President of the European Council. However, the division of powers and competencies between the President of the European Council and the Commission President on the one side and the EU Foreign Minister on the other side must be further clarified.*
- *In a fashion similar to that of other smaller countries, Hungary still believes that the equality of all member states should be respected by, among other things, maintaining the principle of one commissioner per member state. Hungary cannot accept the proposal for non-voting members or associate members of the Commission.*
- *The proposal for rotating presidencies in the sectoral councils should be further defined, as the proposed wording – 'taking into account European political and geographical balance and diversity of member states' – is not satisfactory, since it does not guarantee equality among member states.*
- *Hungary can accept the proposal for a new definition of qualified majority voting (QMV) – that is, a double majority – on the condition that the population rule is reduced to 50 per cent instead of 60 per cent. Hungary supports the extension of QMV as a general principle, although it would like to maintain the national veto in educational, cultural, and budgetary matters.*
- *A new definition should be sought for the quorum that can trigger enhanced cooperation, one that requires half of the member states plus one to participate in any such project. In the present situation, the minimum number of participating member states is set at thirteen, which is higher than the current provisions that require only a minimum of eight member states to initiate a project of enhanced cooperation.*
- *The competence of the Court of Justice should be extended to include also the possibility to review the legality of the European Council's decisions relating to the composition of the institutions, as well as the use of the 'passerelle clauses'.*

- *A separate clause should be included to provide for defining the official languages of the Union.*
- *At the end of the Convention, the EU did not have legislation on minority rights. Hungary, which plays host to many ethnic and national minorities, and has more than three million ethnic Hungarians living in neighbouring countries, believes progress should be made in this area. This is why there was a cross-party consensus to seek to expand EU legislation in the field of human and minority rights. This consensus was reflected in the fact that all Hungarian Convention members tabled contributions that argued the case for incorporating human and minority rights in a future European Constitution.*

5.3.2 The Hungarian experience of small state co-operation in the specific context of 'the constituional moment' of the Union

From the Hungarian point of view, the Convention method was a remarkable success. The number of players with access to deliberations shaping the new European Constitution increased significantly. The influence of the European institutions over the reform process was incomparably greater than in any other treaty reform in the history of the EU. The involvement of European civil society in the preparation of the IGC also improved, although unfortunately there was very little media coverage in Hungary, and Hungarian civil society took little interest in the Convention's work.

The spirit of cooperation among the so-called 'like-minded countries' was also a real success. This should be preserved and perhaps strengthened. With its active regional affiliations, Hungary could contribute to exploiting the chances for cooperation among small and medium-sized countries within the enlarged EU.

Accounts that criticize the new member states for not being sufficiently active in the work of the Convention, or for being over-cautious by insisting too much on the status quo, fail to take into consideration that, until 13 December 2002, the Convention was proceeding in parallel with the enlargement negotiations. This coincidence largely contributed to the fact that the applicant states' institutional and human resources were at first concentrated on the accession negotiations and only after December 2002 they became more active in the Convention. Proof of increased levels of activity by the new member states can be found in the number of contributions to the Convention submitted by their representatives, which rose significantly after the Copenhagen summit.

The very fact that the new member states were allowed to participate fully as equal partners in the work of the Convention partially addressed the fear of many in the new member states that the newcomers would become second-class members of the EU. From this perspective, one cannot but agree with the enthusiasm of Alojz Peterle, representative of the Slovenian Parliament and, as the only Central European, also representative of the new member states in the Convention's Presidium:

"We did not want to go to the joint meetings to be seen as a separate bunch of candidates. We were all candidates for a common future. That was the genius of the Convention. None of us was there to join a weak, divided Europe. We all believed something."[122]

5.4 The Visegrad Group as an example of continued (sub)regional co-operation among new EU members

Within the scope of investigation in this study, the Visegrad Group of four Central European countries – the Czech Republic, Hungary, Poland, and Slovakia – represents a particular variation of small state co-operation. Even the classification of the V4 as another cluster of small states within the EU does not entirely correspond to reality. The V4 formation can be better described as the combination of three small states and one large state to make an asymmetric composition of national weights on the scale of the Union.

The V4 functions differently than the other comparable regional co-operations within Europe. The most visible and determinant character of the Visegrad Group is the conspicuous absence of its institutionalisation. Therefore, the V4 formation operates unrestricted by permanent bureaucracy and structures. However, this does not imply a lack of programmes, or regularity of programmes. On a rotational basis, the agenda of discussion and co-ordination among the Visegrad countries is set and managed by the state that organises, convenes, and chairs the meetings at all levels from experts to presidents annually (from summer to summer).

The Visegrad Group provides the standard benefit of multilateral co-ordinative and co-operative formations in their function to amplify the voice and influence of participants by the combination of their weights and impact. The inherent potential of multinational platforms comprising a

[122] *Alojz Peterle: Unique spirit born out of the Convention must be preserved forever, European Voice, 19-25 June 2003, pp.9*

number of states (even as limited as the V4) to attain enhanced gravity in international matters through the concerted positions and acts of participants constitutes the raison d'être for sustained collaboration with or without permanent institutional structures. Since no consultation is obligatory on any issue among the Visegrad partners, any government of the Group may feel free, at any time, to choose not to resort to the V4 consultative framework.

The V4 remains comparatively flexible in its choice of topics and objectives, as well as the strategic tools it uses to handle them. Increasingly interested in new, efficient approaches, it is seeking ways to put its joint decisions into practice as quickly as possible. Common positions, joint statements, and food-for-thought papers are not ends in themselves, but rather grounds for the development of project-based activities, especially under the new programmes of the International Visegrad Fund.

5.4.1 Defining the set of experience and conditions for co-operation among the members of the Visegrad Group after EU accession

The foundation of the Visegrad Cooperation (at that time, Czechoslovakia still existed; the V4 was born with the separation of the Czech Republic and Slovakia on 1 January 1993) in 1991 at Visegrad in Hungary was laid down in highly symbolic representation of a regional community of shared heritage and, at the same time, in the motivations for the demonstrative display of co-operation potential in an uncertain region only at an early stage of transition. The Visegrad quartet seemed to have found pragmatic reasons for collaboration and consultations in the shared vision and aspirations of their future destination inside the institutionalised communities of Western European and Transatlantic integration.

The historic enlargement of the North Atlantic Alliance to Central Europe to embrace the Czech Republic, Hungary, and Poland into its ranks signalled a turning point for the security and international standing of these countries. Through their admission to NATO, they achieved the fundamental requisite of the geopolitical relocation of the region on the political map of Europe. The other principal foreign policy aim of reorientation and institutional integration with the political and economic union of Western Europe also came to be successfully accomplished.

The entry of post-communist Central Europe (the Visegrad Group + Slovenia) – together with the three Baltic states and the two Mediterranean island countries – into the European Union practically fulfilled their foreign policy priorities defined at the beginning of the 1990s in the

aftermath of the collapse of the Soviet Union. Thus, the momentous event of 2004 called for a redefinition of national foreign policies in the V4 countries, which implied a recasting of the content of relations within the Group itself.

The so-called pre-accession process left an unpleasant mark on the political relations of among the four Central European EU candidates. It noticeably eroded the sense of shared interests and solidarity in the face of the choice between individual bargains or concerted positions with regard to the demands and conditions presented by the representatives of the Union. The Visegrad Four was subject to the consequences of the deliberate strategy of separation in their treatment as candidates. All of them appeared to believe that they could break away from the pack and proceed at their own speed without unnecessary delays resulting from coordination and synchronised movements within the group. By virtue of the very nature of the bilateral negotiation process between any candidate, on one side, and the European Union, on the other side, regardless of the number of other parties involved in simultaneous accession procedures, the complex and prolonged game of bargains from chapter to chapter could reasonably be expected to lead to individually tailored solutions in the end. After all, accession agreements are signed one by one and not as a comprehensive multilateral arrangement enveloping every candidate in the large final package deal. In the course of preparations for accession, the positions of candidates were evaluated individually in country reports by the Commission on the basis of the progress they had made in the adaptation and harmonisation of their national legal and institutional systems.

In essence, the bilateral nature of the negotiations determined the approach of candidates. Although it might have appeared self-evident to consult and co-ordinate more closely, regularly, and to good use, the potential benefits of co-operation remained largely unfulfilled promises after a certain point.

During the accession period, the representatives of the governments of the Visegrad countries held many meetings at various levels and often achieved efficient co-ordination to adopt joint positions and prepare joint statements with regard to some key aspects of EU bargaining positions in the negotiations. At the decisive moments of the EU summits in 2002 and in 2003, the Visegrad partners failed to withstand the pressure and acted not in unity, but rather pursued their visions of best individual bargains.

In practice, the attitudes of the V4 countries turned out to be much more competitive than co-operative during this preparation and evaluation period. Even if their situation could not have been conceived as a game with zero-sum outcome at each other's detriment or costs, the unwarranted presumptions of separate accessions on the ground of merits demonstrated by each candidate drove the Visegrad countries towards detachment from the others. At the end of the day, all of these great expectations of earlier entry in smaller groups failed and the Union embraced 10 new members at the same time without differentiation or recognition of any individual advancement ahead of the others. The Visegrad Group entered the EU as part of a larger assortment of states and none of them got rewards for individual achievements and progress made faster or more easily than others from the V4 formation.

Undifferentiated and simultaneous, the collective admission of the Visegrad countries highlighted certain important distinctions within the V4 Group. The apparent disproportionality between Poland and the other three participants assumed real significance within the Union. The existing actual differences between the constituent parts of the V4 platform received recognition and gained "special weights" within the EU as the variations in the demographic characters of these countries were enshrined in the accession treaty. The eventual admission of the Visegrad countries accentuated the contrast within the cluster. The acknowledgement and reflection of the "heavier weight" of Poland within the institutional parameters of EU decision-making registered and preserved the stronger potential of Poland to shape policy-making processes in comparison of the other Visegrad states as new EU members. It had significant impact on the perception regarding the prospects of the Visegrad partnership within the EU.

The predictable Polish expectations to take their place according to their country's size and status as a new participant in the league of large Member States soon turned out to present a source of potential jealousy and criticism of its ambitions on the part of the three smaller Visegrad countries.[123] In fact, these smaller states seemed inclined to see natural allies for increased co-operation with other EU members of similar size in the Central European region, namely Austria and Slovenia on particular issues defined as matters of common interest. For this purpose, the first attempts at co-operation outside the "Visegrad box" on the basis of perceived similarity in size and, thereby, in approaches to the principal issues of the future of the EU were made during the Constitutional Convention. The smaller (Slovakia) or, by EU standards, "middle size" Visegrad

[123] *Mateusz Gniazdowski: Possibilities and constrains of the Visegrad countries co-operation within the EU, Foreign Policy Review, Vol. 3, No. 1-2, 2005, pp. 81*

states (Czech Republic and Hungary) joined the informal group of the so-called "like-minded countries" including Austria, Portugal, Greece, Belgium, and the Netherlands.[124]

In addition to the negotiations on the terms of their admission, the aspiring cluster of Visegrad states delivered another demonstrative example of collective failure to identify and elaborate their shared interests on the occasion of the IGC charged with the task of treaty reform. The unique opportunity to contribute to the redefinition of the structures and modalities of operation within a complex institution arrived during the intergovernmental negotiations on the future of the Union in 2003. As has been explained earlier, attitudes and expectations of small states – including the three Visegrad states of modest size and weight – generally varied and reflected differences in concepts and calculations. These variations in the positions of the Visegrad states proved to be serious obstacles to the articulation of "a single opinion" supported by concerted positions to shape or, at least, influence the final outcome of the reconstitution process within the Union just on the eve of their arrival. During the Convention, the Visegrad countries as a group remained discreetly invisible. The V4 platform for co-operation did not prove to be a stable, durable formation of supposedly natural partners in the political arena of EU treaty reform.

After the convention, together with the experience of the closing phases of the process of admission, it became apparent that "the lessons of the final stages of the EU accession negotiations and differences over the contents of the European Constitution that played an important role in shaping decisions and expectations of how the VG would operate in the future."[125] *This reflection contributed to adoption of more realistic attitudes and the pursuit of a pragmatic agenda laid down in the 2004 Declaration.*

5.4.2 The formal restatement of V4 purposes after accession

Within the new EU framework of reference, the Visegrad countries were supposed to continue to share specific interests and preferences that could determine the scope and orientation of their co-ordination of particular policy aims. In spite of the growing absence of cohesion and solidarity within the Visegrad Group during the years of aspirations to and sobering lessons from the Union, some form of Visegrad co-operation inside the institutional fabric of their common destination

[124] *David Kral: The profile of the Visegrad countries in the future of Europe debate, EUROPEUM Institute for European Policy, Woking paper of September 2003, pp. 2*
[125] *Martin Dangerfield: The Visegrad Group in the Expanded European Union: From Pre-accession to Post-accession Cooperation, EUSA Ninth Biennial International Conference March 31 – April 2, 2005, Austin, USA, pp. 21*

remained a sensible and logical, but not self-propelling option. Joint decisions and efforts had to be made to bolster the weakened bonds of real collaboration with purpose beyond the usual rhetorical service paid to traditions and the supposedly natural community of values. In light of their experience of limited – both in terms of frequency and efficiency – co-ordination before accession, which inevitably questioned the existence of any inherent momentum for co-operation after the attainment of their common strategic aims, the V4 countries agreed to consciously redefine their relationship in the novel context after their admission to the EU. Bruised, but not broken, their confidence in the continued beneficial operation of the Visegrad Four came to be announced right after their entry into the Union.

At their summit in Kromeriz, the participants converged, for the first time, to discuss their future connections and collaboration in their newly assumed roles as full-fledged members of both NATO and the EU. The prime ministers of the Group adopted a new Visegrad Declaration on 12 May 2004 to confirm their intentions to sustain the V4 regional framework for consultation and co-ordination. The necessity of the political articulation of intentions to maintain co-operation in the future was recognised. The declaration of revitalisation in 2004 was conceived to define the contours and overall aims of the Visegrad formation as a platform for limited regional multilateralism. With reference to "the key objectives set forth in the 1991 Visegrad Declaration" the Declaration of 2004 announced their achievement "with full satisfaction" and declared the determination of the Visegrad Group countries to "continue developing the cooperation as Member States of the European Union and NATO".[126] Although it did not set priorities of strategic perspectives comparable to the original aims of co-operation en route to membership in the principal Euro-Atlantic structures of integration. The accomplished mission was stated to open up new opportunities and pose new challenges for "their further cooperation on issues of common interest". The agreed common view of the future function of regular contacts and co-ordination stressed that "the co-operation of the Visegrad Group countries will continue to focus on regional activities and initiatives aimed at strengthening the identity of the Central European region; in this context, their co-operation will be based on concrete projects and will maintain its flexible and open character".

[126] *Declaration of Prime Ministers of the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic on co-operation of the Visegrad Group countries after their accession to the European Union, 12 May 2004, www.visegradgroup.eu*

In its restatement of the driving rationale behind its co-operation, the Group identified the next mission to recharge the Visegrad framework with new sense of purpose and direction. The Declaration of May 2004, as a political expression of intentions, confirmed interest in the continued role of the V4, rather than introduced any noticeable departure from the consolidated practice already in place. In practice, the V4 opted for the best solution to make use of the accession process as their shared formative experience even after its completion in Central Europe: the externalisation of their knowledge and practice. The Visegrad countries stood ready to support other aspirants from regions adjacent to Central Europe – Eastern and South-Eastern Europe – through assistance and transfer of experience, insight and advice to countries at earlier stages of the gradual movement towards integration. In this respect, the heads of governments from the V4 reiterated "their commitment to the enlargement process of the European Union" and underlined their willingness to "assist countries aspiring for EU membership by sharing and transmitting their knowledge and experience".

Confidently relying on "their unique regional and historical experience", the Visegrad Group also affirmed their disposition "to contribute to shaping and implementing the European Union's policies towards the countries of Eastern and South-Eastern Europe". It indicated another line of policy co-ordination where they could potentially make a difference with regard to one particular dimension of EU external relations.

Beyond the unqualified and general support for the idea of further EU enlargement, the Visegrad countries emphasised their commitment to close co-operation with "their nearest partners in the Central European region". Geographical vicinity permits the extension of the concept of co-operation within Central Europe as the combination of the V4 and some adjacent states (Slovenia and Croatia may spring to mind) though without clear contours. Outside the undefined Central European neighbourhood, further "countries within the wider region" (the Baltic republics for instance) and "other regional groupings" (the Benelux or the Nordic Council just to mention the most obvious) were identified as possible partners in co-operation with the Visegrad Group on specific areas of common interest.

*The prime ministers of the V4 attached an interpretative and indicative supplement to their broad and general redefinition of the objectives of further collaboration through the Visegrad Group configuration. In the "**Guidelines on the Future Areas of Visegrad Co-operation", the participants confirmed the dimensions and the mechanism of co-operation.***

The first dimension represents "Co-operation within the V4 area" including

- *Cross-border co-operation related to the efficient management and development of the infrastructure and environmental programmes;*
- *Disaster management;*
- *The fight against terrorism, organised crime, and illegal migration;*
- *Schengen co-operation;*
- *Exchange of experiences on foreign development assistance policy;*
- *Defence and arms industries;*
- *Culture, education, youth exchange, and science;*
- *Continuation of the strengthening of the civic dimension of the Visegrad co-operation through programmes and activities financed by the International Visegrad Fund.*

The second dimension covers "Co-operation within the EU" in various aspects of community and common policies and specifies the desirable areas of co-operation with reference to a number of EU policies where the V4 countries expected to find common ground as the most probable spheres of converging interests.[127]

- *Consultations and co-operation on current issues of common interest;*
- *Active contribution to the development of the CFSP, including the "Wider Europe - New Neighbourhood" policy and the EU strategy towards the Western Balkans;*
- *Consultations, co-operation, and exchange of experience in the area of Justice and Domestic Affairs, Schengen co-operation, including protection and management of external EU borders, as well as visa policy;*
- *Creating new possibilities and forms of economic co-operation within the European Economic Area;*
- *Consultations on national preparations for joining the EMU;*
- *Active participation in the development of the ESDP, as a contribution to the strengthening of relations between the EU and NATO and deepening of substantive dialogue between both organisations.*

In the third dimension, the Visegrad partners take into consideration co-operation with other partners such as

[127] *Dangerfield, pp. 21-22*

- *interested Central European countries;*
- *EU and NATO candidate and aspiring countries in support of reforms essential for their Euro-Atlantic perspective and in effective implementation of programmes of co-operation of these countries with the EU and NATO;*
- *other regional structures;*
- *other interested countries and organisations;*

With respect to the fourth dimension, the Visegrad countries would extend the prospect of their co-operation within NATO and other international organisations as other institutional structures for the representation and co-ordination of their contributions to multilateral policies outside the confines of the European Union in the form of

- *Consultations and co-operation in the framework of NATO and on its defence capabilities;*
- *Commitment to a strengthening of trans-Atlantic solidarity and cohesion;*
- *Co-operation on the basis of the V4 experience to promote a common understanding of security among the countries aspiring to Euro-Atlantic institutions;*
- *Enhanced co-operation within the international community in the fields of new security challenges, with a special emphasis on combating international terrorism;*
- *Consultation and co-operation within the OSCE on issues of common concern for V4 countries; possible joint initiatives;*
- *Consultation, co-operation and exchange of information in international organisations (UN, Council of Europe, OECD, etc.); consideration of possible joint initiatives;*
- *Possible mutual support of candidacies in international organisations and bodies.*

In the section on "Mechanisms of co-operation", the V4 heads of governments envisaged three institutional components of collaboration and contacts along the lines of the constitutional distribution of responsibilities and competencies for foreign relations between the presidential, executive, and legislative branches of political institutions within the participating states. The regular meetings of V4 presidents represent the highest possible single level of quadrilateral exchanges of opinions or initiatives. The co-operation between the V4 parliaments offers occasions for discussion and co-ordination of legislative programmes at the level of the speakers of national assemblies and also at the level of parliamentary committees.

The identified governmental modalities of co-operation embrace a wider range of options in accordance with the horizontal and vertical division of labour within the political and administrative structures of governments. The spectrum of available choices for intergovernmental co-operation include

- *Each country in its one-year term in the rotating presidency prepares its own programme ensuring continuity of long-term V4 co-operation;*
- *One official Prime Ministerial summit a year at the end of each presidency;*
- *Occasional informal meetings of the Prime Ministers and Foreign Ministers before multilateral international events with the participation of V4 countries;*
- *Deputy foreign ministers meetings preceding the PM official summits;*
- *Meetings of other ministers in V4 and V4+ format;*
- *Intensified communication of V4 national co-ordinators and their key role in internal and inter-state co-ordination;*
- *Consultation and co-operation of Permanent Representations to the EU and NATO in Brussels, as well as in all other relevant fora (Organisation for Security and Co-operation in Europe, United Nations[128], Council of Europe, OECD[129], WTO, etc.);*
- *The operation of the International Visegrad Fund and its structures.*

5.4.3 The implementation of the mechanisms of V4 co-operation: regular occasions of consultations and co-ordination

The operation of the V4 Group has been along the adopted Guidelines of 2004. Multilateral political dialogue is sustained through scheduled and occasional meetings of prime ministers, foreign ministers, and senior representatives of foreign ministries. Besides the exclusive assemblies of Visegrad representatives, meetings have come to be organised – with increasing frequency – in the expanded V4+ format.

Representatives of parliaments also foster regular contacts dominated by current European issues. Interparliamentary co-operation within the Visegrad Group is upheld at the level of the Speakers of V4 National Assemblies and the Chairmen of Committees on European Affairs

[128] During their terms as non-permanent members of the United Nations Security Council, V4 countries can regularly brief and discuss matters with the rest of the Group as was underlined in the report of the Slovakian Presidency which coincided with the country's turn as the Eastern European participant in the work of the UN body. The Activities of Slovakia's Visegrad Presidency, 2006-2007, www.visegradgroup.eu

[129] Collective membership of V4 countries in the OECD Financial Action Task Force on Money Laundering (FATF)

resulting in the regular adoption of joint statements to register the points of their concordance on a wide range of shared interests[130].

Co-operation in the framework of the Visegrad Group is not limited to the political dimension. As foreseen in the Declaration and the Guidelines of 2004, sectoral issues or matters of a primarily non-political nature may also require co-ordination and the exchange of positions. Specific issues within the competency of various ministries and state authorities are often the subject of the meetings at the ministerial level or at the level of senior officials and experts from V4 countries. During the years since the EU accession of the Visegrad countries, sectoral co-operation has involved a variety of aspects of state responsibilities and their discussion in V4 format at the meetings (only as an exemplary list) of

- *Ministers of Justice*
- *Civil Defence and Disaster Recovery Directors*
- *Presidents of V4 patent offices*
- *Chiefs of Staffs of V4 Ministries of Defence*
- *Chiefs of Defence sharing operational experiences of peacekeeping*
- *Ministers for Environment*
- *Visegrad task group of governmental plenipotentiaries for energy security.*

5.5 The general context of V4 co-operation within the EU

The underlying key question of the feasibility and utility of any co-operation after accession was determined by the nature of the enlarged EU and the relevant patterns of co-operation. Even if the parties agreed in principle on the desirability of continued co-operation in the specific context of the Union, it remained uncertain if any permanent and distinct formation of the four Central European states within the EU could have viability as the conduit of specific coinciding regional interests, or if the new environment would mainly serve to reinforce the centrifugal forces of diverse interests. In the latter case, the V4 seemed to survive as the vehicle for internal cross-border co-operation within the cluster and lose its relevance in its external aspects.

After their EU accession, the rationale for co-operation was reinforced in a number of policy areas. Most importantly, the situation of the V4 countries changed from being passive recipients

[130] *In illustration: Joint Declaration of the Presidents of the National Parliaments of the Visegrad Group Countries, Warsaw, 3 June 2009, www.visegradgroup.eu*

of EU policies to active participants in the formation of common policies. Instead of simply accepting the results of decisions made by others, shaping and making the decisions together with other members. Although with varying degrees of efficiency and inspiration, the opportunities for Visegrad countries to make their own contributions to EU policies individually or as a group opened up with their formal inclusion into the decision-making machinery of the Union.

The modalities of policy-making in the EU are determined by consensus formation and coalition-building. Depending on the issue at stake, the final shape and content of any compromise and co-operation are equally likely to rely on temporary, interest-based coalitions or on permanent formats of regional concerts like the Benelux or the Visegrad groups of EU member states. In any case, the composition of coalitions and concerts reflects either a temporary or longstanding convergence of interests, priorities and choices within the given configuration of member states with regard to the subject of actual decision-making.

The permanent representations of the V4 countries to the EU offer another forum in Brussels for consultation and co-ordination on their positions on current EU issues between the weekly meetings of the Committee of Permanent Representatives (COREPER), the Political and Security Committee (PSC), and the numerous working groups. Consequently, after their EU accession, the talking points of most V4 consultative gatherings at each level – ministerial, ambassadorial, or expert level – have been dominated by issues that also appear on the agenda of the Council sessions and also the European Council. This tendency is equally valid for sectoral and foreign policy co-operation.

Mutual support for candidatures of V4 countries represents another important dimension of co-ordination where the Visegrad partners could demonstrate and prove the practical value of concerted aspirations. The Visegrad Group pledged to support each other's contest for the seats of various agencies and authorities of the European Union. The V4 states agreed that support for candidacies should always be arranged in advance through consultations.[131] *What was agreed in principle did not stand the test of reality. In case of the parallel applications of Hungary (Budapest) and Poland (Wroclaw) for the location of the European Institute of Technology and Innovation (EIT) and the unsuccessful Slovak ambitions to locate certain agencies in its capital, Bratislava testified to the limits of pledges to avoid unnecessary contention and provide mutual*

[131] *The Report of the Czech Presidency of the Visegrad Group, 2007-2008, www.visegradgroup.eu*

support for V4 attempts to have symbolic EU structures and bureaucratic entities stationed in their respective countries.

Representatives of EU Presidencies at the level of heads of state and government are regularly invited to the summits of the Visegrad Group before taking their terms at the helm of the European Union. In certain specific cases the EU Presidency does not need to be invited, because it is held by one of the Visegrad countries. In the period that spans 2009-2011, three of the V4 states have or will come to perform the tasks of the Presidency of the Council of the European Union. On these occasions, the common denominators of the EU Presidency priorities and V4 priorities can be identified and synchronised in order to take advantage of the opportunity to put issues on the agenda for every session of all Council (with the exception of the General Affairs and External Relations Council which is chaired by the High Representative after the entry of the Lisbon Treaty) formations. The unique constellation of an EU Presidency by one of the V4 countries presents the possibility to promote specific and timely questions from the agenda of co-operation among a small circle of EU countries onto the roadmap of plenary policy-making among all 27 Member States.

5.5.1 The first trial and success of large-scale sectoral co-operation: the V4 and their entry into the Schengen zone

The V4 states made clear their intentions to enter the Schengen zone together. They also decided to submit a joint V4 application for participation in the Schengen system.[132] *The Visegrad countries demonstrated their confidence and political will to arrive at the next stage of post-accession integration in team formation. Contrary to their conduct prior to their admission, this time the V4 wanted to attain the obvious benefits (shorter national border sections to be controlled) as the result of collective efforts and preparations.*

This move was meant to prove the viability and added value of the Visegrad Group as an example of successful regional co-operation. Ultimately, their entry into the Schengen area of free movement without internal EU border controls depended not on the determination or devotion of the V4 countries, but on the approval of the abolition of border checks and examination of persons between the new and the old Member States. The endorsement of the V4 participation in the deeper core of political integration within the mould of the external Schengen borderline had

[132] *Declaration of Visegrad Group Ministers of the Interior, 19 July 2004 http://www.visegradgroup.eu/main.php?folderID=961&articleID=3891&ctag=articlelist&iid=1.*

to be expressed in a unanimous decision by the Council. This was only possible if all EU Member States inside the realm of uncontrolled circulation of people could be convinced that their internal security would not be jeopardised by the extension of free movement of people to the external border of the new members.

At some point in the course of their preparations, the V4 band of partners seemed to descend into disintegration as difficulties arose (in the case of Slovakia and Poland in 2006) and spectre of the return to the pre-accession practice of national strategies – each state on its own – began to appear. After recognising shortcomings in the preparations of some of the V4 countries, the EU members of the Schengen zone publicly deliberated postponement of the Schengen enlargement.[133] The prospect of delay reinvigorated the determination and cohesion of the Visegrad Group. In their joint response, the V4 issued open protest against any prolongation of their preparation and the resulting deferment of the entry date. In their concerted position, the V4 emphasised that they treated their Schengen entry as an "absolute priority" and that a delay "would be viewed as discrimination".[134]

The same position was confirmed on one occasion when the Visegrad quartet's position was reinforced by the three new Baltic members. In their joint statement, the V4 + B3 "expressed their firm interest in joining the Schengen area by the seven countries in October 2007 according to the original timetable". The coalition of seven aspirants to the Schengen zone stressed that "the V4 and B3 countries will continue to cooperate closely within the EU to make the Schengen enlargement possible by October 2007".[135]

Even if the precise date of their eventual entry did not coincide with their exact demand, the inclusion of the V4 and the B3 into the Schengen area could take place before the end of the year 2007 (more precisely on 21 December 2007) as a result of their appropriate technical preparations and their firm insistence on the original time-line of the move further and deeper into closer integration in one of the political pillars of the Union.

Their co-ordinated endeavours to achieve the necessary readiness for admission into the internal core of the EU set an encouraging and discernible example of successful "single issue" co-

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[133] *Radka Drulakova: Visegrad Group within the EU – a Stable or Diluted Coalition?, University of Economics, Prague, Faculty of International Relations Working Papers, October 2007, pp. 12*

[134] *Visegrad Four protest against Schengen entry delay, Euractive.com, September 2006, Http://www.euractiv.com/en/enlargement/visegrad-protest-schengen-entrydelay/article*

[135] *Statement of the Visegrad-4 and Baltic-3 Foreign Ministers, 13 November 2006, www.visegradgroup.eu*

operation to achieve their stated purpose of further integration, despite the difficult technical challenges and politically sensitive nature of the collective efforts.

5.5.2 An example of V4 current sectoral co-operation of particular significance: energy policy

V4 co-operation on some of the sectoral issues can assume great significance when related to the matters that may determine the underlying condition of economic performance and overall security of the participants. Among these matters of comprehensive importance, issues of energy security, supply connection, and the operation of energy markets – at a regional and at a European level alike – stand out as prominent areas for Visegrad co-ordination in their intra-European and extra-European aspects.[136]

The co-operation of the Visegrad countries on energy matters carries added value not only because it could help to bring some technical solution to shared difficulties, but co-ordinated responses are more capable of meaningful contributions to the determination or implementation of the adequate moves towards solutions most of the time through common policies of the Union.

Energy co-operation among the V4 can be remarkably enhanced through the construction of connections between national networks of electricity and gas currently not linked at all or not linked to the necessary degree. The need for collaboration and connection within the Visegrad cluster is supposed to be embedded in the relevant EU policies regarding broader development targets contained in the energy aspect of the unfolding Trans-European Network (TEN) initiatives. Co-ordination in the elaboration and representation of the V4 position enhances the chance to attain financial assistance for as many Central European projects as possible for the construction of missing and/or weak interconnections within the TEN-E programme. The accomplishment of new connections between the electricity grids and gas transport networks in V4 countries continues to constitute an indispensable requisite of the creation of regional energy markets and greater security of supplies in case of local shortages. Beyond the transformative effect of new connections on the infrastructure capacity and energy markets in the region, the construction of an energy transportation system across the Visegrad area could also form vital links in the chain of interconnections from the Baltic to the Adriatic Sea.

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[136] *The Programme of Slovakia's Visegrad Presidency, 2006-2007, www.visegradgroup.eu*
The Activities of the Czech Presidency of the Visegrad Group, 2007-2008, www.visegradgroup.eu
The Programme of the ***Hungarian Presidency of Visegrad Group, 2009-2010,*** *www.visegradgroup.eu*

The search for efficient answers to energy vulnerability resulting from dependency on and exposure to hydrocarbon supplies almost entirely (natural gas) or dominantly (oil) from Russian sources can be expected to strongly motivate consultations on their national policies and co-ordination of their positions on policy-making proposals for measures by the European Union. V4 co-ordination on EU policy-making could extend to concerted moves in order to promote the inclusion of their energy policy interests into EU action plans on energy[137] or present common positions on crucial pieces of the regulatory framework of energy policy (for instance the current directive on the security of the gas supply).

In the external aspect of declared energy policy co-ordination among the V4 partners, the enlargement of the Energy Community to neighbouring countries would serve the general purpose of an expanded area of predictable operation of energy sectors in and around the Union, but at the same time it could achieve closer integration of some of the adjacent states into the legal framework of the EU, at least in its energy dimension. In the field of energy, the countries in the Eastern Neighbourhood of the EU could harmonize their legal systems to those of the Union and demonstrate their capacity for "deep co-operation" amounting to "partial integration" in a certain specific area. The support of Visegrad countries for the membership of Ukraine and Moldova in the Energy Community could prove an occasion to demonstrate their commitment to the engagement of Eastern Partners into all suitable forms of integration.

5.5.3 Visegrad co-operation within EU external relations: the V4 and the Eastern Neighbourhood of the Union

Despite several joint declarations on the Eastern dimension by the Visegrad Group, some analysts have criticized the CEE countries for the absence of a common strategy towards all their neighbours to the east.[138] Instead of the concerted development and implementation of such a joint strategic approach, the V4 countries seemed to pursue essentially separate and discreet national policies with respect to the states in the region separately. Each Visegrad country was primarily more focused on relations with some – first of all Ukraine – of the states rather than dealing with the region as an integral whole.

[137] *The 2nd EU Energy Policy Action Plan to be adopted in the spring of 2010.*
[138] *Janusz Bugajski: The eastern dimension of America's new European allies, National Defence University, Strategic Studies Institute, 2007, pp. 22*

In order to complement national policies and moves, the V4 countries declared that they would endeavour to co-ordinate the exchange of information concerning the planned measures and activities of individual V4 countries in the eastern neighbourhood area (for example in Belarus) and promote co-operation in order to be carried out and presented as joint V4 activities.[139]

As part of its concerted action for the strengthening of the eastern dimension of the ENP, the V4 made the following joint contributions and statements in EU bodies:[140]

- *Joint Political Statement of the Visegrad Group on the Strengthening of the European Neighbourhood Policy (January 2007);*
- *The Visegrad Group contribution to the discussion on the strengthening of the European Neighbourhood Policy (March 2007);*
- *The Visegrad Group Position Paper on the Governance Facility and the Neighbourhood Investment Fund (April 2007);*
- *Joint Statement made at the meeting of the Foreign Ministers of V4 countries and Moldova (October 2007);*

In their co-ordinated position towards their eastern neighbours, V4 began to build confidence and allay the concerns of some EU countries about the consequences of strengthened co-operation with these states as well as the unfounded concerns of some eastern neighbours that the ENP is designed as a substitute for EU membership delaying or preventing their aspiration to the Union. To this end, the Czech Presidency proposed to develop a new format along the lines of the existing V4+: the establishment of closer co-operation with some EU Member States with expressed interests in various activities related to the Eastern Neighbourhood of the Union. The first example of this adapted format was introduced in the course of preparations for the launch of the new joint initiative of Sweden and Poland, the combined V4 co-ordinated their position with Sweden and Ukraine at a meeting specially convened for this purpose in Prague in 2008[141]*. Later consultations were organised to resolve the final form of the project with the participation of potential beneficiary states such as Belarus, Moldova, and Ukraine.*[142]

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[139] *Activities of the Slovak Presidency of the Visegrad Group, (June 2006 - June 2007), www.visegradgroup.eu*
[140] *Activities of the Czech Presidency of the Visegrad Group, (June 2007 - June 2008), www.visegradgroup.eu*
[141] *Activities of the Czech Presidency of the Visegrad Group, 2007-2008, www.visegradgroup.eu*
[142] *Executive Report on Polish Presidency in the Visegrad Group, 2008–2009, www.visegradgroup.eu*

After its adoption and official launch in May 2009 in Prague, the agenda of V4 and Eastern European relations were dominated by the implementation of the EU Eastern Partnership Programme with regard to its bilateral and multilateral dimensions, as well. In this respect, the V4 countries need to enhance their co-operation not only with the interested EU members and the Eastern partners, but also with European Commission and the forthcoming EU presidencies. Efficient co-ordination within the Visegrad countries should be framed in a pragmatic approach with their focus on contributions to initiatives and projects of real added value taking into account the needs and aspirations of the neighbouring partner states.

In an extended format of V4+ foreign policy co-ordination including the B3, Bulgaria, Romania, and Sweden in November 2008, the Visegrad countries and their invited partners gave indication of the means and areas of enhanced attention to EU Eastern Neighbours. Beyond the announcement of their commitment to and full support for the initiative of the Eastern Partnership, the participants concurred that, within the framework of the evolving new instrument, the EU should offer new forms of co-operation with Eastern partners and far-reaching projects aimed at deepening the co-operation. In that respect, the EU members present at the meeting voiced their shared expectation about the "ambitious goals" the Eastern Partnership should aspire to to attain such as the increase in EU support for the adaptation and approximation of the legal systems of Eastern partners to EU legislation, norms and standards. The adaptation of the Eastern Partnership countries to EU norms should not be treated as an aim in itself, these efforts must rather serve the creation of extended free trade areas and the launch of the process resulting in liberalised visa regimes with these countries as a long term goal, implementing important multilateral and regional projects.

In their declared endeavours to support political and social-economic reforms in the "eastern EU neighbours", the V4 formation could give substance to its stated aims and provide political, diplomati,c as well as technical support for the acceleration of movement toward political and economic integration between the European Union and its partners. As the V4 foreign ministers identified earlier at the initial phase in their endorsement of the process of reconsideration and redefinition of ENP: "These objectives may be achieved by means of strengthened political dialogue, engagement into sectoral programmes, encouraging mutual contacts between people, deepening trade relations (aiming at comprehensive Free Trade Agreements), intensified partnership in the energy sector, facilitating mobility and managing migration, and by closer co-

operation on foreign and security policy, in particular on the issues of regional stability."[143] *To this end at the current stage of the evolution of relations, the earliest possible conclusion of association agreement between the EU and Ukraine (at an advanced stage) as well as the Union and Moldova (started recently) should be encouraged and assisted by the participants of the Visegrad Group.*

5.6 Lessons to be drawn from the Visegrad experience of small states within the EU

5.6.1 The question of the institutionalisation of co-operation

Although the operation of the V4 formation entails regular meetings at various levels of intergovernmental relations, co-operation within the Group has never come close to institutionalisation, despite a few proposals from some of the participants. Nevertheless, the meetings that take place as a regular part of the V4 process provide for the opportunity to debate EU affairs and establish whether and to what extent the national positions within the Visegrad Group on particular issues may coincide, enabling the participants to pursue the concurrent aims collectively. In spite of the practice of co-operation and specific collective interests as new members, a natural dose of divergence in many cases could be expected.

Heads of governments from the Visegrad states have also held meetings before European Council sessions or on the fringes of EU summits. While regular or extra meetings do no guarantee any collective position or its persistent representation within the Council, it still carries the importance of an available mechanism incorporated into the policy-making process for the articulation of collective positions whenever possible.

5.6.2 The economic lessons of the current crisis from the Visegrad perspective

In the wake of the global financial and economic crisis, small states seem to easily get into a difficult and precarious situation. The optimistic discourse of the 1990s and early 2000s on the praised flexibility and adaptability of small states lost ground recently when the scale of vulnerability of some of the smaller EU members became obvious. Smaller states from the Baltic (Latvia and Lithuania), Central Europe (Hungary), the Balkans (Greece), and the Iberian (Portugal) regions of the EU figure prominently in the accounts of the countries suffering from the most

[143] *Joint Political Statement of the Visegrad Group on the Strengthening of the European Neighbourhood Policy, 22 January 2007*

serious consequences of the economic crisis for their public finances, the repercussions are not limited to these national economies of lesser scale. The example of Spain testifies to the degree of economic hardship, which even a large member state of the EU could experience despite the size of its GDP and other quantitative economic indicators of the country. Although some of the EU countries of lesser size may appear on the frontline of victims which are hard-hit by the economic crisis, they seem to display more important common features than limited territorial extent or population. The structure, performance, and financial foundations of their economies prove to be more decisive than their sheer size. Small does not necessarily mean more adaptable, flexible, or stable either inside or outside the Economic and Monetary Union.

In the face of the sweeping effects of the international "financial bushfire", co-operation and co-ordination among the Visegrad countries in various fields did not offer any avenue to make a difference in this respect. The V4 group of states weathered the crisis under different conditions. Slovakia entered the storm with the mitigating financial conditions of its membership in the Euro-zone in January 2008. The Polish economy stands on the firm ground of more extended reliance on its domestic market that could sustain a rare example of continued economic growth amidst the general tendency of contraction of European economies. In order to avoid the negative effects of generalisation on their international financial ratings, the V4 countries emphatically seek not to be treated as one category, but rather differentiated on the basis of the actual state of their economies. In the event of such a large-scale predicament as the current crisis, even the most intense form of co-operation among the Visegrad partners could hardly offer more than the co-ordination of national positions on possible policy measures by the Union.

5.6.3 The relevance of the Visegrad Group as regional coalition in EU politics and decision-making

After the entry of the Lisbon Treaty into force, the European Union has moved clearly into the direction of more supranational character. The reformed fundamental treaty framework of the Union has significantly extended the range of matters and policy areas governed by the community method of qualified majority voting (QMV). The nature of decision-making has been significantly altered and shifted towards to the increased role of supranational institutions of European politics. Parallel to the scope of QMV decision-making, the role of the European Parliament (EP) has also been extended decisively. Co-decision with the equal standing and involvement of the Council and the EP has become the prevalent mode of legislation under the

redesigned allocation of competences and institutional powers. Two significant implications of these changes must be taken into account in the Visegrad countries.

The irreversible tendency leading to the full emancipation of the European Parliament as the indispensable partner of the Council with equal legal status in the prevailing mode of future legislation within the Union transformed the political landscape for co-operation among the Visegrad countries within the institutional framework of the Union, if the V4 wishes to exert recognisable influence on the final outcome of policy formation and decision-making. Co-operation and co-ordination of endeavours need to be exercised not only at all levels of the Council structure from working groups, but within the Committees and in the plenary sessions of the European Parliament as well. If and when the shared interests of the Visegrad partners can be identified and moulded into a common position, it should be articulated and represented consistently in a concerted manner by the MEPs of these countries in an optimal case, even regardless of party affiliations. Besides the more familiar ground of the Council decision-making environment, the same importance should be attributed to the other leg of the legislative process in the co-ordinated promotion of V4 priorities once a unified approach has been attained on any particular policy issue within community competencies.

As to the V4 perspective on decision-making in the Council, the advent of more QMV decision-making brings about its inherent consequence of more limited protection against unfavourable decisions by resorting to a requirement of unanimity. The restricted use of the national veto in defence of declared "vital national interests" increases the likelihood of a minority position for member states on the losing side of the "political battle" unless a compromise can be achieved or sufficiently forceful coalitions can be assembled to prevent the adoption of harmful solutions. The largest EU countries naturally represent the crucial centres of gravity in the process of any decision-making and the formation of interest groups within the circle of 27 members. Smaller members must deliberate carefully and gauge the positions of other member states. Lonely voices of smaller EU countries do not stand a chance to change the tune. There are two options for these smaller members if they want to be heard in a Union dominated by variable geometry and shifting coalitions.

They either create stable alliances with larger member states or rely on regional groupings such as the Baltic, Nordic, Benelux, and Visegrad groups. Both options are built on the presumption that the national preferences continue to coincide among the partners in any of these coalitions.

The sustained concurrence of national aspirations and priorities between dominant large member states and their smaller allies or in regional clusters cannot be taken for granted permanently. It seems more probable and logical that the "missions" will determine the coalitions of changing composition. Issue areas and policy fields would determine the combination of member states in the course of often protracted clashes of interests and concepts before any decision could be attained through the assembly of the necessary majority.

In spite of the proven utility of the Visegrad Group as a truly useful platform for the co-ordination of positions, it has never appeared evident to warrant a united stance and univocal representation of Central European positions and perceptions. The essential benefit of the Visegrad formation of states remains its flexibility and availability as the regional political and sectoral co-operation mechanism to identify, co-ordinate, and promote the shared V4 preferences with regard to particular policies. The identified aims and choices can be pursued collectively, but the possibility of concerted action does not, in any way, imply that continued co-ordination would inevitably lead to common positions either on issues of particular EU policy or matters of intra-regional co-operation.

5.6.4 Inherent regional unity or unifying thematic strategies?

Increasingly often, the four countries must anticipate situations where their interests may differ considerably in policies regarding the internal market or the redistributive instruments of the Union to channel resources for certain commonly agreed purposes. Controversies and divergences among the Visegrad countries do not invalidate the utility of attributed and assumed functions of V4 co-operation. The cultivation of multilateral discourse among the participants of the V4 quartet, especially in cases of disagreement, could yield the benefits of clarity and predictability in the relations among the Visegrad subset of EU Member States. In spite of the permanent or temporary coincidence of their interests on many issues, nothing predetermines their agreement on any of these matters unless the V4 makes conscious efforts to hammer out the common points in their respective national policies in regional, European, or a broader international context.

In spite of the limits of regional concurrence of interests and positions, it can be argued on the basis of the evidence outlined before that regional formations of sustained co-ordination and co-operation are here to stay in the enlarged European Union. Macroregional strategies, for example, the one initiated by the Baltic EU members with regard to the Baltic Sea region, and the

one partially proposed by the Visegrad group, the so-called 'Danube-strategy', are value-added projects for the whole of the EU, which cannot be realised without regional stakeholders.

6 VISEGRAD ECONOMIC COOPERATION

6.1 Introduction

In certain periods of the past two decades, the political and economic cooperation between the Visegrad countries tended to run parallel; however, in the 2000s, by which time the economies of all concerned parties had undergone significant changes and modernised certain areas, the two types of cooperation began to diverge. In the economy, corporate relations were beginning to take the leading role, while attempts at government level economic cooperation were no longer in the cards. The cooperation was driven by microeconomic relations mostly through trade in corporate networks and the direct investments of small and medium sized enterprises.

The building of political relations was shaped by changing external threats and security risks; there were times when the need for top level political cooperation intensified, but as political risks subdued, this need also typically subsided. This was clearly tangible in the beginning of the nineties when fear of Russia brought the countries together, or in the pre-accession period when the desire for joint regional action intensified in the hope of maximising the advantages and benefits of accession, only to be replaced by efforts to enforce individual interests. This process continued even after the Visegrad countries obtained full EU-membership. Today, it is energy and environmental issues that provide the connection points between the countries concerned, but it is also palpable that, even in these areas, a loose political cooperation is the most that can be achieved.

There are also clear-cut periods as far as economic relations are concerned in the given countries. The first half of the nineties was clearly characterised by loosening economic ties, which was mostly induced by the previous negative experiences of these countries and their common objective to join the European Union. As a result of the latter, the countries in the region were all primarily trying to build closer economic and financial relationships with the EU, while efforts to establish regional connections remained secondary. In the second half of the nineties, owing to the increasingly effective operations of CEFTA, trade relations began to improve significantly, but its subsequent effect remained considerably limited in this period partly because of the unfavourable growth (demand) processes, and partly owing to the efforts being made to exploit the potentials in EU-trade as much as possible.

In 1998 with EU-accession talks beginning, there was a compelling external force to adopt the EU legal frameworks and to introduce the related measures, as a result of which the economic policies in the countries of the region converged in many respects, since liberalisation measures had created practically identical regulatory environments. At the same time it was already evident that national economic policies in certain areas no longer followed parallel paths, a process which accelerated in the 2000s; yet this had no clear and obvious effect on economic performance initially. The emerging economic structural differences in the second half of the 2000s created significantly different economic conditions in the specific countries of the region.

In the wake of EU-accession, mutual trade and economic relations had intensified, while the economic structure was being shaped mainly by large foreign companies and their network of suppliers. This period was also characterised by the emergence of large regional corporations gaining increasing influence at a regional level and interweaving economic ties along new patterns.

The experiences since EU accession clearly prove that the number of issues which have a strictly Central European identity has been limited or non-existent. The expectation for the post-accession period was that the need to comply with the Maastricht criteria would push the Central European countries to decrease the economic disparities between their countries and the former EU Member States. The indirect harmonisations of economic policies were supposed to be a tool to support convergences between their economies. In the longer run it is certainly true that outside pressures help indirectly a certain convergence of economic policies between the Visegrad countries independently from economic policy coordination. This coordination has been almost non-existent during the past two decades and only serious (economic) security policy threats could alter the situation.

The economic changes of the coming few years will be tied to the transformation of economic structures and economic policies, which eventually will lead to the convergence and synchronisation of the economic policies of the countries in the region. This period will be strongly influenced by the present economic crisis, which may – in an optimal case – improve competitiveness in the entire region.

6.2 Economic aspects of Regional Cooperation – theoretical and Practical Approaches

In the history of international relations interstate contacts are traditionally characterised by bilateral relations as opposed multilateral ones. This is also true for the East Central European region; what is more, multilateral relations in Central Europe have usually been much more embryonic than in other parts of the world and have often been built merely because of external pressure.

The history of the world economy demonstrates that really successful regional economic integration has always been achieved by and between dynamically growing countries on the one hand, and those that did not prevent but promoted the integration of other participating nations into world economy, on the other. In these cases, the main aim was never to create autarky and find alternatives to import activities within the integrated community of countries; instead, the possibility to integrate was always left open to other participants and actors in the world economy.

In Central and Eastern Europe in the nineties, all the factors that could potentially prevent political and economic cooperation were evident; at the same time, there was little to counteract these negative impacts as circumstances that may have promoted and deepened cooperation were slow to evolve. Based on experience, any attempts at regional cooperation, even in the wider Central East European region, have the following main limitations and opportunities to reckon with:

- *The common cultural, historical, and geographical past, knowledge of each other's countries could well be one of the main driving forces behind cooperation. In Central Europe, however, shared historical past is more likely to generate tension, the negative impacts of which are increasingly evident at times of accelerating economic and social changes. Given the negative experiences of a shared past, in the wake of the regime change the countries in the region tried to avoid each other as much as possible and refused to enter into any kind of economic alliance with their former partners.*
- *The – mostly political – opportunities behind cooperation in the beginning of the nineties were expanded by the security policy vacuum that came about with Russia losing her political weight in world politics in the wake of the cold war. This driving force was gradually dispelled with the NATO enlargement, although during the Yugoslav wars, increasing security and economic risks had once again intensified the need for cooperation. It is mainly energy security-related issues and the increasing influence of the*

Russian capital in Central Europe today that may represent shared interests in security policies and the economy for the countries of the region.

- *One of the problems preventing swift cooperation in the wider Central European region is diversity ranging from religious and ethnic differences to divergence in the level of economic development and political maturity. Any such complex structure will only allow for very flexible cooperation, even at a theoretical level. Ethnic tension will present real danger if the general economic situation in the countries concerned is even unfavourable; in order to alleviate problems in any country, we need a flourishing economy. As far as the Visegrad countries are concerned, cooperation is mostly hindered by tensions behind Hungarian-Slovakian relations.*
- *There are two fundamental theoretical approaches to the development of subregional cooperation and larger-scale integration, especially from an economic perspective. According to one school of thought, subregional cooperation is a preparatory step that paves the way to a larger integrating organisation. The other approach claims that larger-scale cooperation gives rise to subregional cooperation. The answer to this theoretical question always depends on the level of economic development of the country willing to enter an existing integration. Integration between less developed countries does not cause rapid economic development in these countries. These less developed economies generally rely on a modernisation centre (an "anchor") that usually lies outside the strict boundaries of the region. They need markets, and access to technology, management know-how, and other transfers, which can promote rapid economic development. So far, only the really developed countries have succeeded in implementing a thriving regional cooperation before integrating into a larger unit. In all other cases, it was entry to the global economic scene and participation in a larger integrated organ that prompted stepped up economic (and political) cooperation.*[144]
- *Countries belonging to the same geographical region are not necessarily each others' key or natural economic partners. A similarity of economic and political priorities tends to promote subregional cooperation more than having the heritage of a shared past or geographical proximity. In the pre-accession years, economic cooperation of the countries in the region was not coupled with additional growth impetus.*
- *Economic cooperation in the nineties was also greatly hampered by the fact that the four countries had very similar characteristics, similar comparative advantages, and relative*

[144] *Inotai (1997).*

labour productivity. For this reason their economies were not complementary but competitive in terms of their structure and potential. This situation was only resolved later with the economic structural changes induced by the inflow of significant foreign direct investments.

Hungary, together with the other Visegrad countries (except for Poland) is considered a small nation in terms of its economic power, population, and natural resources. The countries of the region have very little room for manoeuvre; it is the international economic, political, technical fields of force, world trends, global and European forces that predetermine the course that development has to follow, and this has been coupled with marginalisation over the past centuries.

From the beginning of the 1970s, Hungary and the entire Central European region were drifting further along the road to complete marginalisation with the gradual decay of the COMECON. On one hand, this was coupled with severe and unfavourable economic consequences as the region had further distanced itself from the dynamic centre of development of the world economy, while, on the other, it had very negative psychological effects and created frustration, given the fact that accelerating marginalisation was taking place right next to the western world. This demonstration effect was even stronger perhaps in Hungary than in any other Central European countries, since Hungary was the most open country of all in many respects. After the regime change many thought that this kind of marginalisation would be quickly dispelled, since it was believed that the country was lagging behind merely because of the different economic and social system it had at the time. This expectation, however, proved totally unfounded.

Since the foundation of the European Community, there have been two alternatives for marginalisation in relation to the integration of Central Europe: a radical and totally isolating version given the military conflict of the Cold War, while a lighter, but still definite process evolved after the regime change, which is usually described as the two- or multi-speed Europe.

In the period following WWII, COMECON was the only institution that could be seen as a half-hearted attempt at integration. Although COMECON may have been very advantageous to certain sectors and companies, it was certainly an unfavourable arrangement from the perspective of the entire economy. Given the lack of market conditions, no real competition could evolve between companies. This also established unnatural terms and conditions under which

economic partners were selected. This economic environment was coupled with the Warsaw Pact, a political-military alliance that was governed by the Soviet Union, and which determined participating country interests from above and imposed great limitations on certain countries' sovereignty.

In light of such precedents, it was a natural reaction after the fall of Communism that countries in the region were averse to economic and political cooperation between the Central European countries. None of them was intent on taking steps to bring economic/political ties closer, since this would have been tied to dismal memories from the period before the regime change. What is more, the socialist version of integration, the community of Socialist states, had little meaning for the people and, therefore the breaking of ties between members of the communist elite had automatically meant that the vast majority of cooperation initiatives were now a thing of the past as well. The building of regional relations was also discouraged by the fear that countries in the region shared that Western Europe might consider strengthening cohesion and economic ties within the region as an alternative to EU integration.

Soon it was clear that the developed world treated the Central European region as a whole and that it was reluctant to deal with the countries therein one by one. Looking at things from a western perspective, the lack of cooperation, especially 2-3 years after the regime change, demonstrated that these countries were unable to communicate with each other under the conditions set by the market and democracy. It seemed that cooperation between Central European countries was seen by the developed countries as a sign of maturity, a precondition for western integration. It was partly this notion that motivated the launch of the economic and political cooperation that led to the birth of the Visegrad group and eventually to the creation of CEFTA.

The other reason behind the birth of the Visegrad idea was the attempt to synchronise the policies of Czechoslovakia, Hungary, and Poland against the Soviet Union. One of the most important events that prompted cooperation was that in January 1991, the Soviet interior forces applied military action against Lithuania as it demanded independence. This made it clear that the Soviet Union still posed a real threat to the region. Following the Lithuanian incidents, the government heads of the three countries met in Visegrad in the beginning of 1991 and agreed to set themselves the goal of organically integrating into the European security and economic system. The talks were further propelled by the 1991 August coup in Moscow, which gave rise to grave

concerns in the states of the region. However, with the dissolution of the Soviet Union in 1991, the security policy aspect of the cooperation had dramatically diminished and there were now other areas placed at the centre of cooperation attempts. At the Prague prime ministerial summit in May of 1992, the future of the Visegrad cooperation was perceived as a cooperation to be realised in three areas of great importance. The first area was to be development with western institutions, the second was economic cooperation, and the third was the reconciliation of opinions and positions concerning world economic and political events. Following the declaration of these objectives, however, the political cooperation within the group soon de facto ended with the split-up of Czechoslovakia. The newly forming Czech Republic considered cooperation to be an unnecessary remnant of the past and made it clear that with the weakened Soviet Union posing a diminished security threat to the region, there was no longer a need for Central European cooperation. They thought that only open possibilities for exploitation lay in the strengthening of economic cooperation. However, it was not solely the Czech mentality that prompted the then-failure of the Visegrad group, but much rather the changes in the system of conditions of the economic and security policy in Central Europe. The essence of the responses given to the altered conditions is well-illustrated by a newspaper article written at the time with the following opening sentence: "Visegrad Dead, Long Live CEFTA!". This was a clear indication that the economy was the only area where joint action or coordination was or might be required between the four countries.

6.3 The Visegrad Cooperation as an Economic Coordinating Mechanism

In the first half of the nineties the term the "Visegrad Group" was synonymous in Western European and US usage with the most developed Central European countries. The Visegrad Group was considered to be sort of an exclusive elite in Central Europe, which was best illustrated by the OECD and NATO membership of Poland, Hungary, and the Czech Republic in the late nineties. The differentiation between the Central European countries and other country groups was reinforced by the fact that the region also excelled in terms of economic development with the swift and smooth transformation of the economy, as a result of which, in spring 1998, a new adjective entered the vocabulary of the international press and international economic organisations; they no longer described Hungary, Poland, and the Czech Republic as emerging markets, but as converging markets. Due to the question of safeguarding this exclusive role, Poland voiced its

reservations in 1998 concerning the integration of Slovakia into the Visegrad Group, however, the situation took a swift turn by 1999.

6.3.1 The Need for Economic Cooperation

1. The economic transformation strategies of the Central European countries (Poland, Hungary, the Czech Republic, and from 2000 onwards, Slovakia) that were considered to be the flagships of transition took greatly divergent paths in many respects over the past two decades and followed different paths to conduct their economic reforms; nevertheless the elements of convergence are still tangible. In the beginning of the transformation, Poland attempted to create the starting conditions required for market economic development with fast and drastic measures. In the Czech Republic they thought that the foundations of the economy did not really need to be adjusted and the country would be suitable for building a market economy without much restructuring, while in Hungary the swift transformation of certain areas (e.g. privatisation) was set as a priority objective, without drastic measures in many other areas. The economic positions of Poland, Hungary, and the Czech Republic remained, nevertheless, very similar. Owing to the structural reforms launched towards the end of the nineties, Slovakia soon joined the most developed group of regional countries. On the whole however, these countries went through the very same stages during their economic transformation; they each were eventually forced to take the very same measures. These measures are roughly as follows: acceleration of privatisation with the involvement of foreign investors, more intense attempts to attract FDI; radical macro-economic stabilisation measures and the curtailment of real wages; consolidation of banks consuming vast budget resources followed by the sale of the lion's share of the bank sector to foreigners. These were the key steps of economic transformation; they were introduced in practically all of these countries, albeit with phase shifts. This means that, although there may have been differences between the specific countries in what they considered to be the focal point and centre of gravity in terms of joining the NATO and EU-accession talks, the general tendencies converged on the whole.

2. The economies in the region gained increasing importance in the first half of the 2000s, a process which was given further momentum by the fact that the exploitation of the growth potential in the region became increasingly important also for many Western European companies amidst the recurring crises of world economy. Continued liberalisation in Central Europe in accordance with the Association Agreements, the realisation of free trade within the

CEFTA region, as well as stable GDP growths, provided the expansion of production and improvement of productivity with a fresh momentum. In contrast to this, Western European growth around the turn of the 21st century and shortly afterwards remained modest. As a result of this, the somewhat small Central European market gained increased importance in international economic relations. Central and Eastern Europe was increasingly seen as one of the potential sources to fuel growth in the EU, and this only intensified with the imminent Central European enlargement of the EU. The large Western European service providers realised significant profits from the period of convergence before accession and later from the expansion of the single market in the countries of the Visegrad region.

3. The idea that the countries of the region ought to adopt a common strategy during EU-accession talks in order to obtain the best economic concessions primarily from the structural funds was one of the potential fields of cooperation on economic issues. Although there had not been reconciled strategies between the candidate countries in earlier EU enlargement procedures, it still seemed reasonable to take advantage of the possible benefits of this kind of cooperation. Simultaneous talks provided the EU with a very strong negotiating position. In a situation like this, the possibility of any candidate country with a more lenient negotiation strategy providing concessions could have risked it being considered a precedent for the EU with other countries that may have adopted a more stringent approach during talks. This could have made it necessary to determine a set of common rules of negotiation/conduct. These common rules of conduct may have led to the development of a common accession strategy, which goes beyond the desired objective of preventing specific countries from providing excessive concessions. Of course, this common strategy is subordinate to national strategies and amounts to no more than the shared interests amassed from the individual national strategies. Still, cooperation such as this may well have prevented the EU from playing off the Central European countries against each other during the accession talks without encountering any resistance. As demonstrated by the accession talks, there was no solidarity in this respect between the countries concerned. There was no reconciled common strategy; the Visegrad countries pursued their own individual interests as much as their own interests' representation abilities, and negotiation strategies, and their relationships with existing members allowed them do to so.

6.3.2 CEFTA

CEFTA was unquestionably the most influential system in the Visegrad region out of all institutionalised economic cooperation initiatives in the region after the regime change. The notion that frameworks of economic cooperation ought to be established among the Visegrad group was already on the agenda in 1991. In contrast to the politicians, who did not really wish to build deeper political or economic relations in the regions, it was clear to all economic experts that bringing economic ties closer was inevitable after the drastic loosening of relations in the early nineties.[145] *Statistics presented unquestionable evidence that trade turnover between the countries had significantly fallen, which was sooner or later to cause severe problems. Originally the three countries came up with the idea of creating a payment union in response to one of the most severe defects of the COMECON cooperation, but this notion soon fell into oblivion. The aim now was to establish free trade between the states concerned. Free trade zones are considerably looser forms of economic integration, but with states who had so far failed to establish any form of multilateral economic cooperation between themselves, it was still a real cornerstone of cooperation. Parallel to this, the Association Agreements between the three countries and the European Communities had practically been fully drafted and, thus, the frameworks of a partial free trade zone had been laid down towards Western Europe. If these three countries had not entered into a similar agreement, trade between them would have been marginalised in comparison to the trade they were transacting with the European Union and the member states of the EFTA. This situation evolved, nevertheless, since the rules of the Association Agreements with the EC had already entered into force in the first half of 1992 when the text of the CEFTA agreement had not yet even been worded. The objectives of the CEFTA were as follows:*

- *The tripartite agreement on the establishment of the free trade zone was to cover all industrial and agricultural produce.*
- *The lifting of trade restrictions must extend to all tariff and non-tariff type restrictions.*
- *The tripartite agreement was to be modelled after the agreements made and entered into by and between the EU/EFTA and the Central and Eastern European states; however, it was to be built on symmetry and mutual benefits.*
- *The transition period required the achievement of full liberalisation in 5-10 years.*

The free transfer of goods between the participating countries could have also been realised under the frameworks of a customs union. This, however, the countries of the Visegrad group

[145] *Dunay (1997).*

were not inclined to do for political reasons, for this would have required such close cooperation that it would have surmounted in introducing common economic policies, including the uniform management of imports and common decisions concerning the utilisation of duties collected. If that was not enough, the actors outside the region would also have viewed this kind of cooperation as an alternative to the EU.

In this regard – and similarly to the Visegrad group's political and security endeavours – it was expressed that the participating countries had – at all costs – wanted to avoid the impression that their regional cooperation would diminish the importance of Western European integration. For this reason they set themselves a less spectacular objective, the establishment of a free trade zone. The structure of CEFTA was based on agreements between the parties and the EU, and the EFTA. While specific articles were modelled on the EFTA, they were grouped in line with EU examples (industrial, agricultural and general provisions).

The overall objective of the CEFTA was to provide the participating countries with trade preferences similar to those offered to the four countries by the Association Agreements made with the EU. In addition to improving competitiveness, the aim of the agreement was to increase purchasing power and maximise the FDI going into the region. The products were classed into three groups: A, B, and C. Tariffs and non-tariff type restrictions were lifted at varying speed; between 1995 and 1997 the duty payable on certain industrial and agricultural products were lowered. The trade restrictions on other goods such as cars, textiles, and steel products were lifted by 2000. Simultaneously, by 1 January 1997, the parties were required to abolish all export tariffs or other equivalent duties.

The participating countries also agreed not to introduce new quantitative import restrictions or other equivalent measures in their mutual trade activities. Nevertheless, CEFTA still did not bring about entirely free trade:

- *Albeit it highlighted the importance of lifting agricultural tariffs, it still retained the quota system.*
- *The agreement did not treat non-tariff restrictions appropriately.*

Special provisions governed customs administration cooperation, concessions, trade type state monopolies, payments, the rules of competition, the liberalisation of government procurements, dumping, re-export, and the protection of intellectual property, etc.

Since the Czech leadership made it clear that they did not intend to deepen regional cooperation and the relationship between Slovakia and Hungary was not really smooth, all further measures taken in view to developing CEFTA were controlled by Budapest and Warsaw. In the spring of 1995, the Prime Ministers of the two countries agreed to support the expansion of CEFTA. This, however, was subject to two preconditions:

- *The terms and conditions of accession must be defined;*
- *The constitution of the CEFTA must be amended, as it did not originally address the question of accession.*

From this point onward, membership in the group was subject to three preconditions:

- *GATT- (WTO) membership;*
- *Approval of all the CEFTA states;*
- *Conclusion of the Association Agreement with the European Union.*

The CEFTA-states made a resolution on the accession of Slovenia in the 1995 September Brno summit of the heads of government. The resolution was made despite the fact that Slovenia's Association Agreement had not yet been signed. Therefore, Slovenia's accession to CEFTA was allowed on 1 January 1996 only on the condition that Slovenia would first sign the Association Agreement. The accession of Slovenia had no effect on the nature of the cooperation. It was clear to most Central European countries that Slovenia, above many others, was a state that ought to have joined the western institutions in the first wave of accession. With the Slovenian membership, CEFTA remained relatively homogenous economically speaking. Estonia, Latvia, Lithuania, and Romania had already indicated their desire to join. Ukraine also showed interest but, given the lack of an Association Agreement with the EU, it proved an unrealistic aspiration. The similar endeavours by Croatia and Macedonia also needed to be treated with a degree of scepticism, not to mention the aspirations of Belarus. Nonetheless, the desire by these states to integrate only proved that CEFTA was a success story: an institution was successfully set up and operating and was producing economic results which a number of Central and Eastern European countries found attractive.

The original agreement was amended a number of times in the second half of the nineties. The aim of the modifications in each case was to accelerate the lifting of tariffs and increase the degree of liberalisation. The basic principle of cooperation remained, however, unchanged, that is

to say that CEFTA did not endeavour to integrate the different states, but instead wished to increase and deepen the level of integration of the countries concerned into the world economy by liberalising foreign economic relations. This, however, as was seen earlier, might simply be the best method for less developed countries to ensure that, at a later stage, their participation in a larger integrating unit would be successful.

The significant expansion of the exchange of products between the CEFTA countries in the beginning of the 2000s was underpinned by a number of factors. One of the really important elements was a gradual but accelerating lifting of tariffs and quantity restrictions affecting the bulk of traded products. The other main reason was that the majority of CEFTA countries had produced relatively high GDP growth rates in previous years. In other words, the chances of market entry improved among countries with growing economies, which ab ovo created favourable conditions for the interweaving of the economies of the region.

Perhaps the most problematic area for CEFTA proved to be the trade of agricultural products. Hungary generated a trade surplus in agricultural produce against all CEFTA countries. This can partly explain why Hungary had been subject to protectionist measures the highest number of times. The agricultural sectors in many CEFTA countries were struggling with surpluses. Since entering the strongly protected western markets was difficult, given the fact that the Association Agreements did not allow for total free trade of agricultural produce, and the eastern markets had lost the vast majority of their solvent demand as a result of the financial crisis of the late nineties, the logical alternative for the countries was to try to sell their agrarian surplus on the CEFTA market. Since Hungary produced relatively good quality and competitive produce in comparison to neighbouring countries, this comparative advantage was also reflected in the balance of foreign trade of agricultural produce. For this reason, the agrarian war between the CEFTA countries became increasingly fierce towards the beginning of the 2000s.

The question of micro-level cooperation, that is the development of corporate relations, plays an important part in shaping the economic connections in the region. Already at the birth of CEFTA, it was an important point for analytical consideration to see what strategies the TNCs would adopt in the region. Many expected that this would encourage the emergence of production units that would sooner or later target the entire regional market, and with the lifting of restrictions hampering trade and capital turnover, their supplier network would also be extended to cover the countries concerned. For the CEFTA region, the optimal solution seemed to be that individual

TNCs would increasingly rely on regional resources for their supplies, in other words, the cheaper, semi-finished products of domestic companies working in the region would play a more important role in supply. This, however, was not realised for years because TNCs continued to satisfy their supply demands from their own network of "domestic" suppliers. There has been, however a gradual shift in this respect, nevertheless, success is still questionable for two reasons:

- *In the CEFTA countries, the need to connect the support industry into the trans-national circulation increased. This is an important step, but none of the countries have made great advances in this respect yet.*
- *There is nothing to guarantee that the support industry will be better in entering the TNC circulation, since the business policies of large corporations focus on from where they can best and most effectively satisfy their needs.*

Also, we are witnessing a process wherein the vast majority of TNCs bring with themselves their own supplier chain, i.e. the traditional system of corporate relations is being revived in Central and Eastern Europe. In a situation like this, it is very difficult e.g. for Hungarian companies to join the team of suppliers. There is already very lively trade between the various subsidiaries of multinational companies operating in the region, but it would be just as important to strengthen production links between Central and Eastern European companies, as well. The division of labour and exchange of products between certain subsidiaries of multinational companies is obvious (e.g. Unilever, Nestlé). Such cooperation and division of labour between Central and Eastern European companies has been very limited so far.

6.4 The Impact of the EU on the Economic Relations of Visegrad Countries during the Nineties

In the past two decades the EU has played a key role in developing and deepening regional economic relations, both directly and indirectly. The EU has had a major influence on the economic processes taking shape in these countries as well. It was the external anchor that forced significant changes within the economies of these countries.

The accession of Central and Eastern European countries was the first time during the history of the European integration that certain preconditions to fulfilwere required that had not been included in the Treaty of Rome.[146] *One of the hidden preconditions of accepting Central European*

[146] *Inotai (1997).*

countries was the strengthened economic cooperation of these countries between themselves. It was also a new phenomenon that the accession negotiations took place in a time when the deepening of the integration was also on the agenda. The adjustment to the acquis was an extremely difficult task for the Central European countries compared to previous enlargements, as the legal material was much more extensive. Central Europe at that time was absolutely in a policy-taker position, it had no real chance to influence substantially the negotiation processes.

Due to these dependencies, the EU was the unquestionable centre for this region. On the other hand, it was considered even during the second half of the nineties that the Central European region would experience quick growth as accession approached. Business prospects for the region were promising; more and more small and medium sized enterprises realised this in addition to the large multinationals. In the renewed waves of recessions in the world economy the growth potential of the region became more and more important for several Western European countries. There were EU countries that elaborated an economic development strategy based on promotion of investments into the Visegrad region (Austria, Italy, and parts of Germany). The not so large Central European market was revaluated in international economic relations due to its higher growth rates and favourable expectations linked to EU accession. East Central Europe was to become a growth pole of the European Union and high growth rates were hoped to stabilise the Eastern borders of the EU. This was advantageous for the other Member States as it would improve European competitiveness as well.

In other words, for a long time, bilateral relations with the EU were far more important than the regional ones, and even more important than the relations of the region as a whole with the EU. It was also assumed that there would have been low interest in regional cooperation if it had not been connected with the process of EU integration. Thus, multilateral regional cooperation had to be supported by bilateral processes of EU integration.

The key areas of cooperation are reasonably easy to identify in a region like the Visegrad countries. Those are dominated by the need to develop and to grow. The agenda of development is also reasonably clear, especially when it comes to investments in infrastructure, institutions, and human capital. Sustainable growth is a solution to almost every problem, and there the issues of economic policy become paramount. Here regional cooperation may play a role especially when seen in the context of EU integration. Liberalization of trade and investments and economic policy cooperation has made a greater contribution to stabilization and normalization in the

region while their importance may increase with the economic growth of the region and in the particular countries in the region.

Several important areas have been identified as crucial when we speak about the EU's impact on regional integration.

6.4.1 Trade relations

During the nineties the EU had direct and indirect impact on Central European economic development and regional cooperation in trade and direct investments.[147] *Statistics proved the importance of EU membership, and preparation for it, on sub-regional trade flows.*[148] *It was also considered that the EU membership would have a substantial influence on eliminating trade barriers. Membership was also important regarding the trade of agricultural products, as CEFTA could not have achieved free trade in this field. Association agreements were also important as they forced the conclusion of the CEFTA agreement. Thus the EU contributed indirectly to the strengthening of regional trade connections, speeded up economic adjustment, and helped with structural change. The outside pressures coupled with the world economic competition due to liberalisation efforts drastically changed the economies of these countries.*

Most economic actors stress the importance of trade liberalisation. Sub-regional trade may be developed substantially by regional networks (trade, production) built up by foreign investments. The volume of FDI also depends largely on the size of the available regional market that is influenced mostly by the economic policy of the target country and international trade agreements concluded with the most important economic partners. As most of the Central European countries were already quite open to trade in the nineties, the volume of trade with the EU was an important growth factor in the economy of these countries. Higher growth rates results in higher income, that translates into bigger domestic demand. The possibility of exporting to a large EU market makes possible economies of scale for those companies operating in a given Central European country. As growth becomes sustainable in several Central European countries and the living standard increases, that definitely could weaken the negative attitude to people

[147] *It was not by chance that not soon after the starting of accession negotiations efforts for the renewal of Visegrad cooperation were made.*
[148] *After Spain and Portugal joined EU the dynamics of trade between them was much higher, than with the rest of the EU.*

against each other in the region's countries, which also creates better business opportunities and opens export markets.

The EU's role in harmonising business cycles in the Visegrad countries was decisive and it also contributed to the creation of better conditions for regional trade. In the Visegrad countries mostly investments into the car industry played a crucial role in building stronger business networks. Finally, this led to a sort of cluster development mostly in the neighbouring region of Hungary and Slovakia that included the movement of workers as well.

6.4.2 Foreign direct investment

FDI can have positive impact on economic growth and regional relations through different channels. There are clear advantages to the larger market when it comes to investments. Obviously, only some types of investors look for such markets. Larger markets, as a result of economic liberalisation between the countries of the region, can be crucial. Besides providing the benefit of economies of scale, there is also a benefit from increased competition. The development of the regional financial market is also partly a result of the investments. In the Visegrad countries the privatisation of services, especially those in the banking sector, created the precondition for high quality financial services that are necessary for large scale investments and businesses.

The common but competing strategies of the Visegrad countries to attract as many foreign investments as possible resulted in an improvement in the local business climate that depends on institutional and policy reforms in each particular country. These investments also resulted in normalization of international financial relations in the sense that the countries in the region become normal participants in the international financial markets. Investments in the region finally created new growth foci within the region with the potential to develop crossborder economic regions. At the culmination of these processes, after EU accession it was expected that foreign direct investment would further increase. This was exactly the case in the Visegrad countries.[149]

6.4.3 Infrastructure development

[149] *It was the case in almost each accession country except for Greece.*

A quick economic catch-up for any underdeveloped region crucially depends on rapid infrastructure development. However, the infrastructure development between the Central European countries faced several challenges in the beginning of the nineties.

- *Due to the collapse of regional trade at the beginning of transformation, it was not considered important to carry out projects that improved infrastructural connections between the Visegrad countries, especially before accession.*
- *Each of the Central European countries aimed at becoming a regional centre in East-West relations that resulted in further neglect of already existing national infrastructural networks between them.*
- *The resources for such programs were not available, given the huge financial burden of the economic transformation and social problems.*

It is also worth mentioning that large scale infrastructure projects that strengthen regional ties as well only began after the accession of new states in previous decades.[150] This happened even in the case of the Benelux countries that already had developed an infrastructural background. In each regional cooperation initiative, infrastructure development is a priority; however without external funding the results are always poor. That explains why the feasible program for the Visegrad countries was to elaborate plans for common infrastructural development after EU accession. However, the development was quite slow even after enlargement due to the huge development needs and the lack of willingness, in certain cases, due to political reasons. The pattern between the Visegrad countries could be best described as follows: 'Yes we would like to renew or strengthen regional infrastructural connections, but we expect financing for these projects from outside, mainly from the EU'. Since accession it has also became clear that joint plans and efforts are very important tools for developing inter-country infrastructure from EU funds.

6.4.4 Economic policy

Sub-regional trade liberalisation was slower than liberalisation of EU trade during the nineties. These two liberalisation processes were parallel, but the latter was faster. This was due to the nature of the CEFTA agreement in part, but can also be explained by a theoretical approach as well. According to this theory, larger entities exert greater influence on smaller regions, especially

[150] *Even more, e.g. in the case of Spain the real driver behind large infrastructural project were the large international sport and cultural events.*

when institutionalised ties are strengthened. Similar experiences could be observed in the case of the Mediterranean countries. Institutionalised economic policy coordination started between Spain and Portugal only after accession. This coordination, however, was always in cooperation with Brussels. Both countries tried to multilateralise their relationship without having joint bilateral initiatives with Brussels. Only after realising that certain regional problems could not be solved through Brussels did they change their approach with regard to bilateral connections.

Economic policy coordination between Visegrad countries was weak both during the nineties and after accession. The most important reasons for this behaviour were as follows:

- *As underdeveloped countries, their policies mainly were aimed at satisfying EU needs.*
- *Adjustment to the acquis was the most important task; improvement of regional relations lacked the necessary resources.*
- *Each country of the group had to concentrate its efforts on solving the economic problems caused by the transformation.*

Here we have to add another negative phenomenon: regional rivalry. During the whole transition period, the "title" of regional champion shifted several times between the countries. At the beginning of the nineties the Czech Republic was the best performing country in the region and it was considered that this country could follow a relatively independent economic policy. In the mid-nineties Hungary became the number one economy in the Visegrad region due to far reaching reforms and huge FDI inflow. In the early 2000s Poland's performance was quite promising, then Slovakia emerged to the regional champion position. Today under the impact of the international crisis Poland, and the Czech Republic somewhat, seem to be the most resilient against negative impacts. This often changing position of the countries influenced their behaviour regarding economic policy coordination. Instead of creating a regional identity and stressing regionally common features in the economic field – which certainly exist – the rivalry always prevented the strengthening of regional economic solidarity.

6.4.5 Financial transfers

EU financial transfers became an important part of regional cooperation between less developed countries. Financial transfers available after accession have been important tools for speeding up the economic catch-up process. Since the beginning of the nineties Portugal and Spain had made joint efforts to formulate the EU budget policy regarding the financial resources available for their

countries. That the countries from the region still regard each other as competitors, rather than friends, even 20 years after the system changes, is not very promising. In spite of this, the four countries surely could find issues of strategic and regional importance such as environmental problems. In addition, the next EU budget negotiations may be a good moment to enhance the coordination between these countries.

It is also worth mentioning Slovakia's adoption of the euro. It means that this country now is under a different economic policy regime and has no exchange rate risk. At the official level it hardly has had an impact on cooperation, but of course the psychological effects can be identified. Among the Central European countries there has been an obvious competition for the "leading position" in the region. Each of the countries played the 'pre-eminent' role for a while from an economic point of view. The euro has meant that, recently, Slovakia occupied the leading position. However the advantage of having the euro now seems to be rather a disadvantage, as the competitiveness of Slovakia because of exchange rate movements may worsen significantly, whicht can hurt economic performance more there than in other V4 countries.

6.4.6 Competition

As competition policies were quite under-developed in the region, the EU could play a significant role in this area too. As the process of integration sped up, EU competition policy was able to be extended to the region. It was especially important in the reform of the public sector, which is certainly the key issue of the process of transition. State monopolies as well as private monopolies were quite characteristic for each East Central European countries, especially those that lagged behind in transition. Internally, competition policy would be very difficult to implement.

In the context of the EU integration that could indeed be much more efficient. Indeed, in some cases, the fact that a country is outside of the EU or of the process of EU integration has been used to grant monopoly rights to either domestic or foreign firms or banks, with some of the latter being from the EU countries. This has not only supported misallocation of resources but has led to a slowdown of the process of integration in so far that it meant the introduction of antimonopoly measures. To an extent, the transformation of the local judiciary system, certainly the weakest link in the institutional setup, has been impeded because of the strong influence of state and private monopolies or lobbies.

6.5 Experiences with Economic Development since EU-Accession151

The Hungarian economy has diverged from those of the other Visegrad countries in the last few years in regards to its development. This has principally manifested itself in a substantial slowdown of growth, and there many structural and equilibrium factors that constitute serious risks from the perspective of long-term convergence as well. The growth lag is probably the most evident when compared to the development of the other EU Member States that joined in 2004.

The impact of the adverse developments is now clearly visible in international comparisons, and these are increasingly pointing towards a long-term trend that will be difficult to reverse. This also means that, mostly from entering the EU, the homogeneity of the Visegrad group countries in regard to their development path has ceased.

It is interesting to see certain important macroeconomic data on the developments in the new Central and Eastern European Member States. If we use data for the year of the beginning of accession negotiations (1998) and the year before entry into the EU (2003) and also for 2008 (the year before the deepening of the world economic crisis took place), certain conclusions could be drawn on the success of domestic macroeconomic policies within the region. This comparison also shows us the different paths of the regions' countries, while taking into account the peculiarities of each country. Generally, the so-called Lisbon measures can best show the economic convergence or divergence of the Member States. Here I pick four out of the fourteen Lisbon measures to evaluate.[152]

In terms of per capita GDP, the most rapid convergence from 1998, when the EU accession negotiations started, was achieved by the Baltic countries and Slovakia. During this period the three largest countries in the new Member States, Poland, the Czech Republic, and Hungary experienced very similar catching-up as measured in per capita GDP. The trends of these years clearly caused some reshuffling between the countries in the region. Estonia has borne witness to the greatest movement, moving up two places in the ranking of the 8 Central European countries which joined in 2004, with the other Baltic state Lithuania improving its standing by one position;

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[151] *This section is partly follows the logic of: Macroeconomic Analysis of the Hungarian Development Bank: Global Economic Risks Rising – Stability Returning to Hungarian Economy. Prepared by Péter Gál, Csaba Moldicz, Tamás Novák. December 2007*

[152] *These fourteen measures are well describing the performance of Member States. The main targets of the Lisbon agenda are grouped under five broad headings: innovation; liberalisation; enterprise; employment and social inclusion; sustainable development and the environment.*

Hungary and Poland suffered the largest fall (down 2 places). Based on the growth trends anticipated over the next 2-3 years, the current situation of countries moving up and down the rankings will change as the Baltic States fall behind dramatically, with Poland leaving Hungary behind. Maintaining or achieving rapid economic growth is a key priority for all Member States; however, attaining this objective is impossible under the changed international economic conditions. The importance of domestic economic policies is stressed by the poor performance of Hungary since EU accession took place. Against all expectations that membership would enforce prudent and successful economic policy, this was not the case in Hungary, resulting in a large divergence between Visegrad countries.

1- Source: Eurostat and own calculation.

	Per capita GDP at PPP, EU-27=100;			*Change from 1998, % points*	*Change from 2003, % points*	*Change in position between new Member States (1998-2008)*
	1998	***2003***	***2008***			
Slovenia	*77.7*	*83.4*	*90.7*	*+ 13.0*	*+7.3*	*1 → 1*
Czech Rep.	*70.5*	*73.4*	*80.1*	*+ 9.6*	*+6.7*	*2 → 2*
Slovakia	*52.1*	*55.5*	*71.9*	*+ 19.8*	*+16.4*	*4 → 3*
Estonia	*42.5*	*54.5*	*68.2*	*+ 25.7*	*+13.7*	*6 → 4*
Hungary	*54.6*	*62.8*	*62.8*	*+ 8.2*	*0.0*	*3 → 5*
Lithuania	*40.4*	*49.1*	*61.1*	*+ 20.7*	*+12.0*	*7 → 6*
Poland	*47.8*	*48.9*	*57.6*	*+9.8*	*+8.7*	*5 → 7*
Latvia	*35.6*	*43.3*	*55.8*	*+ 20.2*	*+12.5*	*8 → 8*
EU-15	*115.4*	*113.7*	*110.8*			

In terms of labour productivity, the convergence of Estonia and Slovakia after 1998 was extremely rapid, while Slovenia, Poland, and the Czech Republic were some distance behind, though they still managed to record relatively swift growth. The poorest performance came from Hungary. After EU accession Hungary started to diverge from the other countries while the others managed to achieve a steady rate of catch-up in this field. In the relative rankings of the countries to each other, the only change was that Slovakia overtook Hungary and the Czech Republic, and Estonia bypassed Poland, and the Czech Republic, Hungary. The current stage of economic transition in the individual countries as well as the trends in foreign direct investment (which have played a large role over the last fifteen years in boosting productivity), given the world economic turmoil, make it likely that within the Visegrad group the only probable change is that convergence may

pick up in Poland following its resistance against the economic crisis, while productivity growth will slow in Hungary, the Czech Republic, and Slovakia. The data clearly shows that Hungary failed to utilise those energies that were supposed to strengthen it after EU accession, while the rest of the Visegrad countries have achieved visible results in this measure.

2- Source: Eurostat and own calculation

	Labour productivity GDP in (PPS) per person employed relative to EU-27 (EU-27 = 100)			*Change from 1998, % points*	*Change from 2003, % points*	*Change in position between new Member States (1998-2008)*
	1998	***2003***	***2008***			
Slovenia	*75.2*	*79.3*	*84.3*	*+9.1*	*+5.0*	*1 → 1*
Slovakia	*56.3*	*63.4*	*79.0*	*+22.7*	*+6.6*	*4 → 2*
Czech Republic	*60.2*	*66.5*	*71.8*	*+11.6*	*+5.3*	*4 → 3*
Hungary	*64.9*	*71.3*	*69.3*	*+4.4*	*–2.0*	*3 → 4*
Estonia	*41.4*	*54.6*	*64.7*	*+23.3*	*+8.1*	*6 → 5*
Poland	*50.7*	*60.0*	*63.3*	*+12.6*	*+3.3*	*5 → 6*
Lithuania	*40.9*	*52.0*	*61.3*	*+10.4*	*+9.3*	*7 → 7*
Latvia	*36.8*	*44.2*	*51.3*	*+14.5*	*+7.1*	*8 → 8*
EU-15	*114.9*	*111.6*	*110.0*			

The employment rate rose most in the three non-Visegrad states in previous years (between 1999-2008), while the others experienced modest changes. A different trend can be seen if we look only at the years since accession, as Poland and Slovakia were able to increase their activity levels substantially. At the same time all but Hungary increased their activity level. This data set also proves the divergence Hungary has shown since 2003. None of the Visegrad countries has made any headway on the EU-15 average during this ten year period; in fact, the differences actually grew for each of them substantially. Looking to the wider region, only Slovenia, Latvia, and Estonia improved their position as regards the EU average.

All told, the positions of Slovakia, Hungary, and Poland did not improve with regard to raising levels of employment, which may indicate the failure of labour market policies, a high proportion of inactive citizens dependent on transfers, and a flourishing black economy (e.g. due to high tax burdens and traditional features of the economy's structure), but may also be explained by structural and regional characteristics (mostly in the case of Slovakia). Looking to the relative

position of Visegrad countries one could observe the significant lag Hungary has in regional comparison.

3 - Source: calculated by author based on Eurostat data

	Employment rate among 15-64 year-olds, %			Change from 1998, % points	Change from 2003 % points	Change in position between new Member States (1998-2008)	Gap to EU-15 average in 1998	Gap to EU-15 average in 2008
	1998	**2003**	**2008**					
Slovenia	62.9	62.6	68.6	+5.7	+6.0	2 → 1-2	+1.5	**+1.3**
Latvia	59.9	61.8	68.6	+8.7	+5.8	6 → 1-2	–1.5	**+1.3**
Estonia	60.6	65.5	67.6	+7.0	+2.1	4-5 → 3	–0.8	**+0.3**
Czech Republic	65.6	64.7	65.3	–0.3	+0.6	1 → 4	+4.2	**–2.0**
Lithuania	62.3	61.1	64.3	+2.0	+3.2	3 → 5	+0.9	**–3.0**
Slovakia	60.6	57.7	62.3	+1.7	+4.6	5 → 6	–0.8	**–5.0**
Poland	59.0	51.2	59.2	+0.2	+8.0	7 → 7	–2.4	**–8.1**
Hungary	53.7	57.0	56.7	+3.0	–0.3	8 → 8	–7.7	**–10.6**
EU-15	61.4	64.5	67.3	+5.9				

In regions undergoing rapid convergence, it is common for gross fixed capital formation to be high (this reads especially true for Far Eastern countries with high savings rates). It is very important for such activities of the corporate sector to be high, as growth based on substantial investments from the public sector is often not sustainable and principally involves infrastructure, which forms the basis for corporate sector investment. One of the key conditions for balanced and sustainable growth in the long term can be dynamic investment activity in the private sector.

Over recent years, two Baltic states, Latvia and Estonia, have been able to expand the investments of their respective business sectors substantially, with Lithuania following suit, although to a lesser extent; such indicators generally worsened for the other countries, which, although it impacts negatively on the long-term sustainability of growth, it also indicates that other demand factors dominate in the expansion recorded by most countries. This significant expansion of investments in the Baltic countries has primarily been funded through external resources, which, coupled with the similar borrowings of households that played a key role in the growing external imbalance, will be a serious risk factor in the coming years.

It is worth noting that the rate of gross fixed capital formation in the corporate sector has declined in all the other countries. However, while the national investment rate in the Czech

Republic, Slovenia, or Slovakia is above 25% of GDP, given the commitment of the state, Hungary and Poland record figures that are much lower than this. Developments in 2008 reinforce these trends, and for Hungary the situation is set to get even worse. What could signal a rocky time ahead for Hungary is that of the new Member States, Hungary has the lowest gross fixed capital formation figure relative to GDP in its corporate sector, after Poland (the same goes for its investment rate). Unless efforts to increase the investment rate significantly in the coming years succeed, this will constitute a major hindrance to the pace of economic growth in the long run.

4 - Source: calculated by author based on Eurostat data

	Goss fixed capital formation by the private sector as a percentage of GDP			Change from 1998, % points	Change from 2003, % points	Change in position between new Member States (1998-2008)
	1998	**2003**	**2008**			
Latvia	23.3	22.0	24.6	+1.3	+2.6	4 → 1
Slovenia	21.2	20.6	24.6	+3.4	+4.0	6 → 1
Slovakia	32.7	22.9	24.1	–8.6	+1.2	1 → 3
Estonia	25.5	27.2	24.0	–1.5	–3.2	2 → 4
Lithuania	21.3	18.1	20.2	-1.1	+2.1	5 → 5
Czech Republic	24.0	22.1	19.0	–5.0	-3.1	3 → 6
Hungary	19.3	18.2	18.1	–1.2	–0.1	8 → 7
Poland	20.2	14.9	17.5	–2.7	+2.6	7 → 8
EU-15	17.6	17.0	18.3			

6.6 V4 economic perspective

International economic relations of countries in Central Europe underwent a radical change between 2004 and 2007 on account of the two enlargement waves of the European Union, creating new conditions for economic development and convergence. EU accession lent new momentum to the economic growth and therefore convergence of all the new Member States, including the V4 countries – with the exception of Hungary, where the initially higher rate of growth had slowed substantially by 2007, while living standards measured in terms of per capita GDP have merely stagnated since joining the EU in contrast to the dynamic growth recorded in the other nine countries. Hungary's per capita GDP figure stagnated between 2004 and 2008 at a time when the other V4 Member States converged 6.7-16.4 percentage points over the same period towards the living standards of the more developed EU countries. On the whole the region

developed at a pace rarely seen in economic history, which accelerated the pace of convergence, though it will be practically impossible to repeat this in the near future. The economies in the Central European region are supposed to formulate a radically different economic strategy under the new domestic and international conditions.

Surprisingly for many, the euro area members of Slovakia (and Slovenia too) are heading towards an increasingly severe downturn in growth in comparison to what was previously expected. Slovakia's opportunities for growth are very much limited in the current situation by the country's vulnerability linked to its one-sided economic structure. The automobile industry is very sensitive to cyclical trends, and the crisis has hit this sector extremely hard, even in spite of the measures taken by government to stimulate demand in this sector. In the long run it may even be questionable just how much an economic structure based on the auto industry will be capable of reaching previous levels of growth, if at all.

The Czech Republic and Poland have relatively stable fundamentals. In Poland, managing the crisis does not take on the form of bank bailout packages or international loans linked to economic conditions, but in continuing with structural reforms that had already been launched. However, this only partly explains the endurance of the country vis-à-vis the crisis, what is even more important is that it has a very large domestic economy by Central European standards and, relatively speaking, is less open, which means changes in international demand do not affect it as much; additionally, domestic demand, together with the domestic market, are able to reduce the pace of the economic slowdown. Nonetheless, the fact that the IMF provided Poland with a flexible credit facility in spring 2009 to overcome any unexpected financial difficulties just demonstrates the unpredictable and increasingly severe consequences of the crisis. It is important to note that this credit facility can be used at any time and is not tied to any conditions, i.e. it is only there as a safety net.

The Czech Republic does enjoy relatively stable macroeconomic conditions, but here, external demand is much more important than for Poland, which is why the Czech economy is set for much more challenging times over the coming period than the Poles'; however, given the features of the economy it is now likened more to the healthier Poland than to the other economies in the region.

Hungary does not really "stand out" from the other economies in Central Europe in terms of expected growth. Yet because of the country's vulnerability and the level of its debt it is more

often than not grouped with the Baltic countries. For this reason there are no reserves which could provide more options for the budget, as is the case in more stable countries (such as the Czech Republic and Poland), nor are there any tools available to stabilise the situation, such as the euro in Slovakia, while the domestic market is too small to stabilise demand on its own. What should not be forgotten is that, thanks to the stabilisation measures taken, demand had narrowed significantly and the economy had slowed down in Hungary even before the crisis erupted.

The EU Member States in Central Europe can be classified into several groups based on their economic features and outlooks. One common thread, however, is that the deepening crisis requires significant adjustment from them all. This either means improving the budget position or the external equilibrium, which everywhere goes hand-in-hand with a decline in economic output and a rise in unemployment. Stabilising the situation essentially depends on how the international funding situation pans out. If the financing and demand problems persist in the long term, this will have dramatic effects even on countries that are in the most stable positions. Paradoxically, a protracted crisis will trigger structural reforms and significant adjustments more quickly for countries in a worse position from a long-term economic development perspective. This is why the conditions for long-term growth may turn out favourably in the countries most affected – presuming they follow a satisfactory economic policy. Nevertheless, this may have severe social consequences in the Baltic States and in Hungary for example, which simply cannot be shouldered.

From the perspective of growth and convergence based on both internal (investments, consumption) and external (capital flows, trade) factors, it is evident that the new Member States which have coped better with the crisis so far are those which have produced high but not overheated growth since accession, coupled with an appropriate level of external and internal financial stability, a low budget deficit, and a healthy public debt indicator.

- *Hungary is in the fourth worst position (after the Baltic countries) having lost its growth momentum three years ago (when the external environment was much more benign).*
- *Slovakia is in a dubious position as regards growth trends because, while its equilibrium is stabilised by the euro, the economy is structurally one-sided, which represents a major risk for the coming period. There are already signs that the economic downturn in*

Slovakia could be such that it nullifies the majority of the economic successes achieved in previous years.

- *The Czech Republic and Poland are in a relatively healthy position, but we cannot rule out a significant and lengthy economic downturn, particularly for the Czech Republic, given that it is very open to the external economy and dependent on exports. With its larger domestic market Poland may well be able to "ride out" the next phase of the crisis with a minor downturn.*[153]

6.7 Conclusions

1. During the first half of the nineties, Visegrad was a truly important framework in which the Central European countries could coordinate their foreign policies against the weakening Soviet Union. The creation of the Visegrad cooperation was also a result of the realisation that a kind of regional cooperation was necessary in the highly insecure, unstable world of the early nineties.

2. On the other hand, for different reasons, the strengthening of this cooperation was also in the interests of the Western world. In their terminology, Visegrad covered the economically most developed countries of Central Europe that also were the frontrunners of political transformation. They urged Central Europeans to establish a stronger cooperation in order to create a bloc against Russia. Intensified cooperation was also communicated as a necessary step towards European integration with which these countries would prove their capability to integrate into a larger system, the European Union.

3. Many politicians in Central Europe were afraid that cooperation would not be a preparatory phase, but rather the final aim that would prevent EU integration of the whole region. This fear was big enough to stop higher level political cooperation, giving room to the creation of CEFTA dealing with only economic issues. Without a free trade zone among them, their products would have been in a dis-preferential situation compared to goods produced in EC (and EFTA) countries. It was the intention of the parties to establish a limited co-operation and not to go beyond that point.

4. The establishment of CEFTA was unavoidable after the signing of Europe Agreements. It was also clear that security issues had lost their importance as Russia stopped being a real threat for

[153] *More on this see: Novák (2009).*

the independence of Central European countries, which also reduced the need for any kind of political cooperation.

5. Beyond the increase of mutual trade in the region, it may be of some significance that the countries of the group increased their experience in the area of multilateral co-operation and bargaining within CEFTA structures. It was an important practical lesson for those countries that joined the European Union at the same time.

6. Reports about CEFTA around the millennium were confined to the failures and "scandals" in the press, namely in cases where members of the group introduced protectionist measures, be they tariff or non-tariff barriers. They were most often applied in the field of agriculture. These conflicts may have helped the EU candidate countries prepare for membership, as agricultural matters are among the most controversial in the EUas well. The sometimes severe, temporary disturbances of multilateral trade relations in the region do not give grounds to draw conclusions of a lasting relevance.

7. CEFTA provided a framework for development of economic cooperation that anticipated collective EU membership. This explains how it became an important pre-accession instrument, for example, by providing a forum on various cooperative endeavours among its member states, including EU compatible issues such as free movement of capital, liberalization of trade and services, combating organized crime, expanding trade, etc. It became, in effect, a waiting room for EU membership.

8. The success of CEFTA and the Visegrad Group has been apparent in terms of the improvement in regional CEE ties and assistance to maintaining mutual political interaction and assistance. The initiatives represent a shift to the concept of cross-border cooperation as the most efficient way for the CEE countries to approach the EU collectively. Visegrad and CEFTA have demonstrated how joint regional economic and political cooperation could yield important dividends for participating states and further contribute to facilitating their EU negotiations.

9. In the wake of the EU-accession, mutual trade and economic relations had intensified, while the economic structure was being shaped mainly by microeconomic relations through large foreign companies and their network of suppliers, and it was also driven by direct investments of small and medium sized enterprises from the region. This period was also characterised by the

emergence of large regional corporations gaining increasing influence at a regional level and interweaving economic ties along new patterns.

10. The indirect harmonisations of economic policies connected with toeing the line with EU regulations were supposed to be a tool to support convergences between the Visegrad countries' economies. In the longer run it is certainly true that outside pressures help indirectly with a certain convergence of economic policies between the Visegrad countries more than genuine economic policy coordination.

11. The current economic crisis may alter significantly the development path of the Visegrad countries. On the whole we may say that the previous economic development model of countries in Eastern Europe has ceased to exist. Development based on cheap external funding has been replaced by development fuelled by domestic savings, which will thus be better conceived but significantly slower. The economic processes of countries in the region will evolve similarly in the period after the crisis following the significant divergence observed in recent years. Everyone will have to adapt to a new economic development model that will focus on gradually redressing the balance and mitigating the social implications of the crisis. External constraints will force countries previously not on a sustainable growth path to implement severe adjustments and corrections, which will primarily involve measures encouraging sustainability.

6.8 'Best practices' of economic cooperation

The Visegrad countries wished to coordinate their policies primarily with the aim of reintegrating into Europe, and the creation of the Visegrad cooperation was also a result of the realisation that a kind of regional cooperation was necessary in the highly insecure, unstable world of the early nineties. However, many politicians in Central Europe feared that the cooperation would not be a preparatory phase, but rather the final aim that would prevent EU integration of the whole region. This fear was strong enough to stop a more intensive political cooperation; instead, the creation of CEFTA, which dealt with only economic issues, was given priority.

In recent years there have been attempts to draw conclusions from regional cooperation initiatives in Central Europe in order to make the 'best practices' known to East or Southeast European, less developed countries. The key question is how to manage a regional cooperation in order to achieve the largest positive impact. From the experiences of the Visegrad cooperation, it is evident that the interest of the countries in a given region may differ extremely, in spite of the

similar economic development, which makes the implementation of any cooperation difficult. The main features of 'best practices' as regards regional cooperation are as follows:

1. Political cooperation works only if external pressures and threats are strong enough to force the countries to strengthen their ties. Economic relations are much easier and more natural to be developed. In this regard, governments may create favourable conditions for business. The most important thing is the behaviour of enterprises. Their investments and joint efforts are the best tools to develop strong regional relations. A strong mesosphere may be the engine of improving and strengthening relations between neighbouring countries. High level and expert meetings among political and economic policy makers can create a favourable atmosphere for deepening economic ties. Common economic interests have to be mapped (with special emphasis on trade, investments, and infrastructure). This friendly environment is a prerequisite for strengthening economic activities of enterprises in each others' economy. So the first step is to strengthen the relations at a macro-level and to find common economic interests.

2. It is also assumed that there is low interest in regional cooperation if it is not connected with the process of EU integration. Thus, multilateral regional cooperation has to be supported by bilateral processes of EU integration. Countries with EU accession objectives have to deepen every kind of cooperation with neighbouring countries. It is also important to share experiences gained from EU cooperation. Common strategies in this field may be more favourable than competing with each other in order to achieve certain advantages over neighbours.

3. The Visegrad cooperation and other similar initiatives prove that integration into a larger entity facilitates the regional approach. Integration into a larger entity of countries from the same region means they have a chance to adjust to common rules. If they are forced to follow the same regulations and rules then it is easier to speak the 'same language'. This also means that the 'homework' of each country has to be done. It may include modernisation of economic policies as well (indirect harmonisation).

4. In the Visegrad countries the regional cooperation was a defensive one in nature. The countries were focused mainly on European integration and the importance of the region was only secondary. But the integration itself indirectly contributed to the homogenization of the region. It may be useful if countries from the same region can elaborate a common plan, a vision for their

region. This vision can include economic issues as well such as free trade, or joint efforts to attract foreign direct investments, or regional infrastructure projects.

5. Sustainable growth is a solution to almost every problem, and there the issues of economic policy become paramount. Indeed, the developments so far have tentatively confirmed this observation as it is the normalization and liberalization that have been the most important consequences of increased regional cooperation, rather than growth of trade, investments, or production. The solving of pending problematic political and economic issues within the given region in the long run definitely leads to a better outcome than following short-term gain oriented conflict strategies. Instead of competition, the atmosphere of cooperation should be strengthened.

6. The regional business connections and activities are increasing especially in places where there are few if any political and constitutional problems. Thus, it could be argued that liberalization of trade and investments and economic policy cooperation have a greater contribution to stabilization and normalization in the region, while their importance may increase with the economic growth of the region and in the particular countries in the region.

7. In strengthening the relations and in order to form recommendations, five different levels should be taken into account in future analysis.

- *The first is the interplay of cross-border regions and the possibilities of developing these geographically and economically unified regions divided by borders. Support to joint trans-border projects improves the relations between people living there and also contributes to economic development.*
- *The second is the enterprise level including the activity of trans-national corporations with affiliates in several countries in the region, and the other is the active operation of small and medium sized enterprises that, in the future, may become regional players and can become subcontractors for foreign firms. Developing a trans-border cluster strategy with agglomeration effects may be a useful tool for strengthening regional economic ties.*
- *The next level is that of intensive political relations. The drafting of common political and economic objectives and an institutional system for its support (supporting investments in the other countries, signing joint declarations and agreements, etc.) is a prerequisite for better economic relations.*

- *The fourth is the possibilities associated with European level projects, including infrastructure development and spatial development. It is certainly better to have a joint strategy as it can facilitate the orientation of EU funds.*
- *And the fifth is the level of individuals, including the development of tourism, cultural and educational exchange, and migration. The key is to increase mutual confidence.*

7 THE SUSTAINABILITY OF CIVIL SOCIETY AND THE V4 COOPERATION

7.1 Introduction

The state of civil society development in Central and Eastern Europe is presented by using concrete case studies to express the lessons learnt and challanges faced as a region as well as the opportunities that have been occuring for regional and interregional cooperation. Civil society is a dynamic concept. The meaning of the term itself constantly changes and is associated with changing values, actors, and opponents[154]*. This conceptual ambiguity reduces the capacity to adopt a comparative approach and causes critical inconsistencies (Alexander 1997). This paper employs the notion of a pluralistic representative democracy and reduces the object of the analysis to organized civil society. It will focus on recent developments based on case presentations. For the purposes of this paper, civil society is defined as an intermediary space between the area of private interests and the state, and will focus on organized civil society (as one component of civil society). Civil society is a vital part of participatory democracy and, as such, it is located outside the spheres of market, state, and private life. It is in the sphere of civil society that active citizens become conscious of the interconnectedness of what modern sociology calls the 'lifeworld'. In this sense, our concept of civil society closely corresponds to Arendt, Kubik and Habermas' definitions of civil society as the ground for the public sphere or as identical to the public sphere (Arendt 1998, Kubik 2000, 2002, Habermas 2003).*

This work challenges a number of preconceptions regarding the alleged inherent weaknesses of civil society (Howard 2003) and qualifies them for the CEE context. Contrary to Howard's thought, it will argue that the CEE's tradition of civil society is not merely negative because of issues such as enforced participation, but also has positive elements such as the valuable contributions of various dissident movements. This paper will propose three solutions to the problems facing the study of civil society thus far: The study of civil society is defined in empirical terms as analysis of organized civil society, incorporating "uncivil" society. Furthermore, a comparative empirical assessment of the sustainability of civil society in CEE suggesting that the promotion of citizens' participation is just one of several functions that civil society has come to assume in CEE. Thus,

[154] *A deeper analysis of these discussions goes far beyond the scope of this paper – we acknowledge Kumar's observation that the dynamic character of civil society often restricts our ability to unambiguously define the concepts [Kumar 1993]. For controversial definitions and concepts of civil society in academic discussions see the debate e.g. between Christoph Bryant and Krishan Kumar in The British Journal of Sociology [Kumar 1993, Bryant 1993, Kumar 1994, Bryant 1994, Neocleous 1995; Keane 1988, Gellner 1991, Seligman 1992, Alexander 1997, Waltzer 1998, Habermas 2003].*

organized civil society in the Visegrad region provides novel insights and important contributions that can be used to develop the emergence and the role of a European civil society. By presenting cases in a structured setting, the paper aims to generate discussion on furthering the development of civil society in the examined region and beyond.

7.2 The Post-Communist Civil Society of Central and Eastern Europe

The term Central and Eastern Europe (CEE) in this paper is used for the region that is part of Europe and shares the common historical heritage of the Communist past. The four countries this paper will concentrate on are part of Central Europe and often defined more specifically as the "Visegrad region[155]", the „Visegrad Group", also called the "Visegrad Four" or the "V4", an alliance of four Central European states – the Czech Republic, Hungary, Poland, and Slovakia. All four members of the Visegrad Group became part of the European Union on May 1, 2004. These countries share many common features in the CEE region, and many characteristics of their civil society sectors have been and remain to be similar.

In his book The Weakness of Civil Society in Post-Communist Europe[156] American scholar Marc M. Howard (2003) claims that organized civil society and participation in the CEE region was at a lower level of development compared to Western Europe, and goes on to explore the causes of this. In his core argument he makes two points: first, a low level of organized involvement and participation of citizens indicates the shallow, procedural, and formal character of democracy in Central and Eastern Europe (Howard 2003). Howard predicts that this pattern demonstrates a high level of instability and creates the conditions that foster anti-democratic and anti-system attitudes and ideologies. His second, more optimistic argument is that the absence of an advanced civil society does not hinder the development of (liberal) democracy in CEE. Comparing current trends in participation and civil society in CEE and Western Europe, Howard concludes that the post-communist countries have skipped over the phase of participatory democracy. According to this perspective, the low level of conventional political participation by citizens is not necessarily an indicator of a weak democratic regime, but rather hints at a problematic relationship between citizens and the state (Howard 2003).

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[155] *The Group originated in a summit meeting of the heads of state or government of Czechoslovakia, Hungary and Poland held in the Hungarian castle town of Visegrád on February 15, 1991.*

[156] *Howard chose Russia and the former DDR as his cases, and some generalizations he makes about the CEE region as such are negatively affected by this case selection.*

This paper presents a brief examination of the nature, origins, and evolutions of the concept of civil society within post-communist states within a historical context, and looks at the key challenges and highlights some forms of solutions offered in the national and regional contexts.

From the 1970s on, the term, as well as the concept, of civil society itself has played an important role in opposition against the communist regimes in Central and Eastern Europe (CEE). Together with Latin America, the experiences of the CEE countries have contributed to the revival of the term and to its revival as a focus of social theory. The main authors who have influenced the understanding of civil society by CEE dissidents include the Hungarian philosopher György Konrád, Polish journalist and writer Adam Michnik, and Czech playwright Vaclav Havel. For supporters of dissident movements, civil society was an integral part of their everyday life; it was a lifestyle. The dissidents' understanding of civil society was based on a number of core normative concerns: an ethical imperative for action, belief in humanism, support for human rights, opposition to the state, and the autonomy of the individual and the defence of human dignity. (Reichardt in Keane 2006: 140, compare also Michnik 1990, Ost 2005).

In this context, civil society was a form of "anti-politics," a term coined by Konrád in the 1980s, or "parallel polis" as Petr Pithart put it at about the same time. Havel's essay Power of the Powerless also played a very important role. In this essay he accentuated the ethical imperatives of action and coined the term "living in truth" as the antithesis of everyday life under an authoritative regime. For Havel and other dissidents across Central Europe, civil society was a project, vision, and program which did not so much exist in a separate social sphere from the state, as in direct opposition to it and its totalitarian apparatus (Havel 1990 (1978)).

A very important feature of how civil society was conceived within the dissident intellectual circles was their strong opposition to the use of violence. This is similar to how the idea developed in Latin America where, under the influence of Antonio Gramsci, civil society strived not only for the elimination of military and semi-military regimes, but also for the transformation of society - especially the overthrow of the capitalist class (Reichardt in Keane 2006). An example of the rejection of violence in Central Europe can be seen in the public campaign entitled "Give the policeman an orange!" organized in Poland in 1980s, during which protesters presented on-duty policemen with scarce tropical fruit. Another similar example was one of the key slogans used by the protesters in Prague on 17 November 1989 "We have bare hands!" The main goal of these

actions was to highlight the non-legitimate use of violent force - a power that was concentrated in the hands of state.

Here it is important to note that in communist countries, this dissident notion of civil society existed alongside official, as well as semi-official, activities (Kubik 2000). Kubik presents a typology of civil society actors within communist regimes and connects this typology to a theory of path dependency. In doing so, he establishes viable typology for post-communist civil society (2000). To summarize Kubik's points, conceptually the post-communist heritage with regard to civil society is a rather complex one; it has a strong normative loading and is full of (discursive) contradictions.

The discursive controversy surrounding the notion of civil society mirrors the ideological struggle between the proponents of an active merging of civil society and politics -- in CEE one of the most active promoters of this approach is the former Czech president Vaclav Havel-- and their liberal counterparts --represented in the CEE most vocally by the current Czech president Vaclav Klaus. The liberals view civil society as a dispensable surplus to (elitist) representative democracy, wishing to reduce citizens' participation solely to elections (Klaus 2002). However, the core of this dispute is deeper - it concerns the delineation of state and civil society spheres.

In CEE the confrontation between these two approaches is especially contradictory and crucial - based on historical experience, the prevailing notion of civil society is that of opposition to the all-encompassing power of the state (Arato, Cohen 1988 in Kumar 1993); according to Seligman, CEE civil society was historically often the only ideological alternative to the power dominance of the state (Seligman 1992, see also Walzer 1998, Nardin 1998). Consequently, post-communist countries, as well as Europe, are currently facing discursive conflicts about the meaning and role of civil society. Current research in the field (Rakusanova 2007) demonstrates that the controversy reaches beyond opposing interests or power positions vis-à-vis civil society. Instead, the clash over the notion of civil society is an important manifestation of rival theoretical conceptualizations of democracy. As such, this clash is directly related to current debates about the nature of democracy in the emerging European polity.

7.3 Development of a Sustainable Civil Society

The following section reflects on the current state of organized civil society in the Visegrad region, highlighting some examples and case studies of efforts made to advance development. The

strengths and weaknesses of organized civil society in four countries (Czech Republic, Hungary, Poland, and Slovakia) are assessed to evaluate the overall dynamics of civil society, while cases are also presented to show the challenges and opportunities.

The core structure of this section follows six key issues of sustainability that are generally recognized as crucial factors determining the sustainability of civil society organizations[157] *with an additional element of regionalism being examined:*

(1) Financial viability,
(2) Organizational capacity,
(3) Public image, advocacy,
(4) Infrastructure,
(5) Legal environment and
(6) Provision of services.
(+1) Regionalism

This paper examines these areas and aims to highlight concrete cases to illustrate the state of civil society affairs, including challenges and development with the focus on the experience of regional cooperation.

7.4 Financial viability

The main weakness of the non-profit sector in Central Europe is its financial viability. Its revenue structure is different from the old democracies' and its challenges are different too. This section aims at presenting a snapshot of the existing situation, laying out challenges as well as some concrete creative solutions offered in the V4 countries to generate resources.

As a general rule, one can say that in the V4, the share of private giving (that is, individual, corporate and foundation-based philanthropy) remains to be very low. As a result, many civil organisations tend to rely on self generated income (service fees, sales of products, membership dues, investment income and unrelated business income) resulting in more service oriented sectors. As an alternative, reliance on public support (government and local government sources) is most frequent and significant. This kind of revenue comes in several forms, through various

[157] *Most importantly the 2008 NGO Sustainability Index for Central and Eastern Europe and Eurasia by USAID as well as the World Bank Democracy and the CIVICUS Civil Society Index*

mechanisms of distribution. In traditional democracies the mechanisms of distribution are well defined and are expected to be non-political, e.g. 'normative' (per capita) support or preferring arms-length approaches and/or politically non-biased, transparent decision making processes. Many argue, that not only such mechanisms are rare in the region but also the size, the focus and distribution procedures of government grants are dependant on personal attitudes and interests varying from year to year and decision maker to decision maker. Some express, that[158] it raises (at least) two important issues: one of them is "the endangered independence of civil organisations; the other is the limited availability of public support."[159]

From a historical perspective it is a major achievement that regulatory practices have been established throughout the region to support the financial sustainability of NGOs. But they have been established only to varying degrees. Although this paper does not seek to present an overview of those legal mechanisms and analyse the manners in which laws and regulations can help (e.g. tax incentives, exemptions etc.) it does observe the fact that it is not unusual for state actors in the V4 to cut back on previously introduced incentives and not necessarily find replacements. Unfortunately, neither the advocacy power of national CSO actors nor regional solidarity was used to their full potential to minimise harm in this area.

Needless to say, such tendencies harm the already slow development of private giving. Although individual and corporate giving, against changing legal environments, has growing prestige, its real financial value still remains to be cashed in on by CSOs. It is also generally agreed, that although there are some positive exceptions, the giving practices of the early foreign private donors were not necessarily replaced or followed by local practitioners, either in terms of their transparent non-political giving practices or in terms of their generosity and long term vision by investing into projects with long returns. The Donors' Forums, established as entities to support philanthropy and public benefit activities, and the creation of an enabling environment for grantmaking and donor activities in their countries have contributed a lot to this underdeveloped area, while all recognise the need for further advancement of the philanthropic culture in the V4.

There is no sufficient space in this paper to discuss the role of the EU funds. They unquestionably constitute substantial financial assistance and shape the economic, social and environmental

[158] *Among them Éva Kuti http://www.nonprofitkutatas.hu/letoltendo/civileuen.pdf*

[159] *In the case of Hungary, for example, such practices have resulted by 2009 in court cases of hidden party financing via NGOs from central government's civil society budgets, while in other cases, organisations being painted in political colours, harming the whole sector.*

development of these countries. The appearance of EU funds have influenced the work of many organisations not only for their large amounts (for limited number of organisations) but also for setting up new organisational practices (e.g. of planning, administering, monitoring, disseminating project plans and results) and have raised new challenges for the civil society sectors, among them are the issue of transparency and transparent decision making and public participation. The conviction that citizens should have the opportunity to influence the way the resources available under the funds are distributed made the CEE Bankwatch Network[160] develop a project on Public Participation in EU Funds[161] addressing the "concept of public participation, i.e. the involvement of citizens in decisions on spending public money from the EU funds like the structural funds, the Cohesion Fund and the pre-accession funds (ISPA, SAPARD). Public participation can take place at different stages of the decision-making process"…monitoring "the state of public participation in the central and eastern European region and to advocate for wider inclusion of citizens in the decision-making processes regarding the EU funds."[162]

7.5 Local solutions for resource mobilisation with regional influence

The financial needs of the growing sector have lead to creative solutions from different actors, and several of them have been followed with interest and increasingly adopted in the different countries. Some of the most influential examples of creative solutions are the so-called Percentage Philanthropy; the structure of the Foundation Investment Fund (FIF), and the example of the Community foundations.

The first, among the percentage laws, the 1% law was introduced in Hungary in 1996 allowing taxpayers to transfer 1% of their previous year's paid personal income tax to the charity of their choice, provided that the charity complies with certain legal requirements. The system has been positively received in the Hungarian NGO community, not only because of its revenue generation potential but also, and mostly, for its potential of donor education; for attracting resources to organisations that would rarely receive funding from central budgets; for diversification of funding, and for grassroots decision making. Very soon it has been proven that the system does indeed bring resources to grassroots organisations that are known in the community by the

[160] *CEE Bankwatch Network is an international non-governmental organisation (NGO) with member organisations across the central and eastern European region, monitoring the activities of the international financial institutions (IFIs) which operate in the region, and propose constructive alternatives to their policies and projects in the region.*

[161] *http://www.bankwatch.org/project.shtml?w=147577&s=460581*

[162] *http://www.bankwatch.org/project.shtml?w=147577&s=460581*

citizens who are willing to contribute to them with their 1%-s and thus balance the dominance of the well-to-do NGOs of the capital city and bring attention and resources to local communities. It has also been able to advance the PR, communication, campaign, and networking skills of organisations and become the prime revenue source for some organisations. The model was critically assessed[163], with the support of the Sasakawa Central Europe Fund, and similar solutions developed in the region (in Slovakia, Poland, Romania, Lithuania) while some countries, after thorough examination (e.g. Estonia), have decided not to introduce a similar mechanism due to its limitations.

Similar widespread interest has been achieved regarding the privatization proceeds used for endowment funds, but the model could hardly be replicated, however timely it was. The forerunner of endowment building was the Foundation Investment Fund (FIF) that was established by a law passed by the ČNR (Czech National Council) in 1991, "with the aim to support foundations selected by the Chamber of Deputies of the Parliament on the proposal of the Government" by making use of 1% from the sale of shares in the second stage of coupon privatization via competitive tender with a clear intention that the FIF contribution is intended for the foundation endowment and only foundations' annual revenue will be used for grants. Such an increase of the endowment is unprecedented in the region and is a significant contribution towards the self-support of foundations that provide a substantial financial resource for other non-profit organisations. Such development reinforces the financial sustainability of the entire non-profit sector of the given country. As it is rightly argued, the construction is unique, not only because the state has donated financial resources to private foundations, but also "in the fact that its donation is not designed to be allotted but to be deposited in the foundation endowment. To dispose only of the income of the FIF means to ensure that the financial contribution of the state is not expended on short-term purposes but, on the contrary, that it serves as a tool of development for long-term strategies guaranteed solely by annual income. Over the past ten years it has not always been certain if the Foundation Investment Fund would really fulfil the original intention stipulated by the law (the state's support of foundations) and if it would not be eventually incorporated into the state budget. From this perspective, it is not significant which foundation succeeds in the competitive tender; what is important, however, is the fact that the entire foundation sector has succeeded because the financial resources earmarked for the sector

[163] *See www.onepercent.hu*

have been retained and eventually distributed."[164] *Although, the economic environment that has made this construction feasible in the Czech Republic was present in other countries of the region, and the C.S. Mott Foundation has made efforts for disseminating the model and its human expertise to other countries, the model has not really gained serious interest.*

Meanwhile, community foundations have made their presence felt in the region. Their easily replicable model and clear message that citizens have enough energy and capability to solve their problems by bringing their own resources together has turned into a movement. ***The Healthy City Foundation at Banská Bystrica in Slovakia is the first community foundation in the region.*** *The mechanism that was developed was partly a self discovery, and partly inspired by community foundations in the USA. Based on the model, the Foundation did not run its own projects, but instead supported projects initiated by the citizens themselves where the foundation created a platform on which the work, ideas, and capability of individuals and organizations could meet with the support and financial help of others. The Healthy City Foundation has not only become the biggest non-profit organisation of Banská Bystrica and Zvolen and a key-player in the community, but has also ranked in the top list of endowed organisations in Slovakia. The model soon spread (except for Hungary) and national associations were established, resulting in* ***the organisation of the f****irst V4 Community Foundation conference in 2008*[165]*.*

Considering the scale of EU assistance for the region, it is important to bear in mind that there are different side-effects, that, if cleverly used, can be beneficial for the overall, and not only the financial, development of the sector (among them are the issue of public participation, as well as the immense opportunities for cross border cooperation and interest representation, to name a few).

One can observe that the NGO sector's sustainability has been somewhat enhanced in the region due to creative practical solutions, but commitment to developing this aspect of sustainability is of upmost importance. Certain creative solutions for resource mobilisaiton have spread with success in the region, while others have not, most probabaly, due to underdeveloped interest representation and policy development skills of sector-wide initiatives.

7.6 Organisational capacity

[164] *http://www.batory.org.pl/english/civil/nif.htm*
[165] *Supported by the CEE Trust Fund.*

Looking from a historical perspective, the third sector of the region has gone through a major development in its organizational capacity in the last twenty years. This is partly a natural development as organisations have learned through practice, and partly a conscious, strategic investment of supporting entities.

The early organizational capacity programs have been very much modelled on the US experience and funded by US donors. A leading example is the Johns Hopkins University's and Civil Society Development Foundations' training of NGO trainers program, as well as third sector scholars fellowship opportunities to the US and Europe. The very same funders that have supported these programs have helped with the development of the organisational capacity of the sector by investing in institutions that have provided services to the rebirth of the sector. These entities have included capacity building organisations like the Nonprofit Information and Training Centre (NIOK) in Hungary, Slovak Academy Information Agency – Service Centre for the Third Sector (SAIA-SCTS) in the Slovak Republic, JAWOR/KLON in Poland, and others in the Czech Republic, Lithuania, Estonia, and elsewhere. These centres have formed the Orpheus Civil Society network to facilitate sharing of knowledge and expertise among information and resources centres in the CEE and beyond. The program was owned and driven entirely by the participating members and coordinating functions have been taken up by the European Foundation Centre (EFC). One similarity of the organisations has been their role in their countries, namely providing information to and about the sector; training and education in an organisational capacity, skills development; advocacy for the sector, especially in legal and fiscal matters; mediation among the sectors, and opening networking and communication channels within the sector with donors, partners, and international entities.

Exchanges of expertise among these centres have been facilitated via rapid aid funds, study visits, and workshops. This type of work and methodology was proven to be useful during those years when the first milestones of the sectors needed to be established. The know-how exchange among the leaders of these organisations has assisted with some corresponding developments and elimination of unnecessary duplication of work.

Unfortunately, after this phase, which coincided with the departure of the foreign donors, many of these centres could not or did not want to adjust to the changed environment, where several of their original functions have been taken up by institutions with a more specific focus (e.g. universities started to run accredited courses on NGO management, Donors Forums have been

established to support the development of organized philanthropy and to create favourable conditions for giving, Volunteer Centres have been sparked to support and promote volunteer activity and its legal environment). Although some have remained to be active players in their community, many have ceased to exist or stopped serving the development of the civil sector and, therefore, the network has become dysfunctional.

Today, the organisational capacity development of the sector is rarely considered to be a priority. While there are serious challenges to overcome even today (e.g. a minimal number of full-time employees, high turn-over of staff, the lack of long term planning, lack of transparency of the sector, constituency building, project based existence, uneven allocations of resources, etc.), with the departure of some key US funders (like the C.S. Mott Foundation, the Ford Foundation, The Rockefeller Brothers Fund) there are rare exceptions of resources being available for this kind of work (to name some key exceptions: EEA Financing Mechanism and the Norwegian Fund, the Trust for Civil Society in Central and Eastern Europe, some programs of the National Civil Fund, and the EU TÁMOP in Hungary).

Many argue that there is still a great role for entities responsible for the development of the organisational capacity of civil society in local development, as well as in the international arena.

7.7 Public image and advocacy

The time has ended when it was thought that anything that is done by a not-for-profit organisation can only be good; citizens have gradually learnt that NGOs come in all sizes with all kinds of missions, means, and techniques.

It has been a long learning process and not an easy one. The very first challenge that organisations faced was the difficulties of building and keeping constituencies, members, and partners. Membership based communication, as well as communication with the broader public is a skill rarely practiced well among CSOs in the region. In some countries, where newspapers have offered sections for civil society work (e.g. Kurázsi of Magyar Hirlap in Hungary, Sme Daily newspaper in Slovakia) often closed off this opportunity, leaving NGOs to be equal users of the free media, but without the know-how to deal with it. A telling example is the case of Hungary where the extreme right has had a continuous presence in the media, while civil demonstration against it, and against discrimination and homophobia hardly come through.

Although rarely featured in the national press, civil society organizations and their activities constitute an integral part of regional and local press coverage. Organisations more and more regularly make use of public spaces by organising exhibits, demonstrations, public presentations, and NGO markets etc. The NGO market has even been organized on a regional level by the prestigious FORUM2000, based on the conviction that „non-governmental organizations represent a key factor in the development of a strong civic society and that they play a vital role in transformation processes in Central and Eastern Europe. Therefore, they should be provided with more opportunities and support in communicating with public, sharing experiences with each other, establishing new partnerships, and further education and growth."[166] *The unique event has grown since 2000 to reach beyond the V4, largely thanks to the IVF as its major partner, attracting NGOs active in education, volunteering, human rights, the environment, and other issues.*

With regard to advocacy, campaigning, and lobbying by civil society, its organisations are gaining more and more experience and success stories, although sporadic, are increasing in frequency. The legal bases for such activities have been developed by now while the resource and skills base remains somewhat underdeveloped. Nevertheless there have been some issue-based successes in the different countries (e.g. against domestic violence in the Czech Republic, by the Alliance against Domestic Violence, the rights cases of the Hungarian Civil Liberties Union, the work of the Initiative for Freedom of Association in Slovakia via www.slobodazdružovania.sk, and others) while reportedly, thanks to the EU funds available for advocacy in Poland around 2008, many NGOs have carried out advocacy work.

On the European level there are more and more opportunities for the representation of interests. The EU has become more open to the views of NGOs, while the organisations have also been able to form coalitions on both a regional and European level and get their voice heard in the EU.

One of the first success stories about influencing Brussels is the frequently cited example of the ad-hocly organised joint work of CSOs around 2004. When a region heads towards accession to the EU, most foreign financial donors to civil society minimise or cease their support to the region, and their absence has been most critical to civil society development, pro-democracy organisations, and human rights organisations. As an immediate reaction, a successful advocacy campaign was started with the coordination of OSI offices to advance the idea of a funding

[166] *http://www.forum2000.cz/en/projects/ngomarket/*

mechanism from European sources to support civil society in the New Member States. Although funding was promised, the European Commission's management problems affected the procedures of the grant, which resulted in a protest letter initiated by CSO leaders in Slovakia, to Mr. Franco Frattini of the European Commission. Following this, there have been three successful funding years for civil society in the Member States which acceded to the European Union on 1st May 2004 (in the areas of the rule of law, democracy, fundamental rights, media pluralism, and the fight against corruption). This initiative is marked by many, as an example of when a coordinated joint effort of CSO leaders in the region has had clear results. The fact that leading NGOs have joined many interest representation associations of a European nature (e.g. ***Social Platform****, CEDAG, and ECAS) shows that organizations see great potential in expressing their views jointly on the European fora.*

Since 2004 several channels and procedures have been established by the European entities themselves to hear the voices of civil society organizations. One example is the procedures and protocols (the so called Dialogue with Civil society organisations and the Fundamental Rights Platform) introduced by The European Union Agency for Fundamental Rights (FRA) regarding engagement with civil society in order to fulfil its main objective of providing assistance and expertise relating to fundamental rights. Another method used is the hearing of issue based groups, e.g. a conference in March 2010 organized by The Directorate-General for Education and Culture to discuss the involvement and impact of EU programmes on the Roma minority. It is based on a selection of best examples of projects related to the Roma people all funded through various European Commission programmes.

There are some rare examples of coordinated advocacy working structures which have established to benefit the region. One exception is the Advocacy Development Programme of Amnesty International, which, in 2004 started an Enlargement Support Project and a Regional EU Affairs Officer position was created for the new member states' benefit. The Advocacy Development Programme Coordinator, operating from Warsaw, assists sections/structures in creating the organizational structures necessary, as well as coordinating the lobbying activities and the networking, and providing training and experience sharing activities. The mutual collaboration of the branch offices and the European advocacy officer has been able to put AI 'on the map' as a relevant actor whose views and proposals are taken seriously by authorities on a European and member-state level. "This quality jump is important in the context of smaller

sections/structures where so much of resources and energies are absorbed by organizational and financial necessities."[167]

As the examples show, the public image and advocacy of the NGO sector's sustainability has been somewhat enhanced and the local NGO communities demonstrate examples of professionalization and good practices, but work on the regional level should be better employed and there should be a more creative and effective use of the opportunities provided by EU membership.

7.8 Infrastructure

As substantial investments have been made (by private foundations, like the Open Society Institute, C.S. Mott Foundation, the Ford Foundation, Sasakawa Peace Foundation, as well as foreign government aid programs, like the Dutch Embassy's MATRA KAP programs, the US's USAID, the Canadian CIDA) into infrastructure development, it is among the better rated aspects of sustainability in the countries under study.

One needs to agree that the basic infrastructure for a functioning civil society has been achieved starting with the fundamental right for freedom of association and going on to areas of physical infrastructure, such as provision of office space and buildings owned by organisations. There are now civic information websites, Civil Service Centre networks, and Community Technology Centres, to name a few of the developments. Several programs have been supporting the IT development of the sector, the most recent, program, affecting several countries, is TechSoup.org, which offers nonprofits a one-stop resource for technology needs by providing products and training.

Several coalitions of NGOs have been formed on all levels, but the techniques of such organizations are still to be advanced. The environmental organisations seem to be the best equipped with skills on coalition building and this brings results on several levels. Besides the committed leaders working in this area, this is due mostly to the almost twenty year old Environmental Partnership for Sustainable Development (EPSD), and its investment of € 20 million to support local initiatives. The consortium of six foundations in Bulgaria, the Czech Republic, Hungary, Poland, Romania, and Slovakia work to mobilize and empower people to improve their

[167] *Natalia Szczucka, Advocacy Development Programme Coordinator, Amnesty International European Union Office*

environment, their local communities and societies. Using a flexible mixture of small grants, technical assistance, networking and training activities, as well as special programs, the EPSD has made its footprint in the region on a local as well as a regional level and has become an active player in the non-political grassroots as well as in the political arena with its excellent interest representation (without entering into party politics).

The political role of the sector has grown, especially in those countries where the government is more receptive and open to work with civil society. In some cases government protocols are designed to channel the view of NGOs to state decision making. In Poland for example, NGOs have representatives in ministerial advisory bodies and in the Government Board for Non-profit Organizations (RNNO), while in Hungary decisions of the state's National Civil Fund are made by elected NGO representatives. Furthermore, Polish civil society organizations successfully formed sectoral coalitions to have a representative on the European level in Brussels during the period preceding EU accession. Unfortunately, this model could neither be replicated by other interested pre-accession countries, nor could there be a coalition for a joint presence by the V4.

Among infrastructural organisation a pressing need has been recognised, namely the need for more professional policy making in the region. This has lead to the birth of several policy centres (often with the support of the OSI) whose focus includes civil society and democracy and soon the Policy Association for an Open Society (PASOS), a network of independent think-tanks that supports policy centres in promoting open society values, including democracy, good governance, the rule of law, and human rights. Beyond laying the groundwork for policy professional work, PASOS conducts joint cross-border projects and joint advocacy to strengthen the voice of think-tanks from the new EU members and their eastern neighbours at the EU level, in other European structures, and in the wider neighbourhood of Europe and Central Asia. A major advantage of this organization is that it is capable of synthesizing the knowledge and experience of several countries.

In its recent study[168] PASOS argues that „in the new EU members of Central Europe, a lack of public confidence in current political elites has resulted in turning citizens away from engagement in public debate, while the winners and losers of transition are increasingly evident in a widening socio-economic divide. In three of the Visegrad Four countries, a majority recognise more

[168] *The project is being carried out with the support of the Europe for Citizens Programme of the European Union, and of the International Visegrad Fund.*

advantages and opportunities in democracies today than under the pre-1989 dictatorial regimes, but there is an urgent need to win over a reticent public to support the transfer of democratic know-how to the EU's eastern neighbours and other countries. „[169]

There is no room in this paper to discuss the tremendous efforts made by CSOs regarding the issues that are highlighted here on a national and regional level, and it is all evident that more needs to be done to develop the infrastructure supportive of civil society and, especially, the pro-democracy NGOs whose work is essential even today, twenty years after of the fall of the Berlin wall.

7.9 Legal environment

There is a significant level of variation among countries regarding the legal environment of civil society. In this area structured conscious development efforts have been made across borders, mostly by the coordination of experts from the European Centre for Not-For-Profit Law as well as the SEAL Program of the EFC. Recently, a similar, if less developmental and rather coordinating role has also been taken by the EXPERT COUNCIL on NGO Law of the Conference of INGOs of the Council of Europe producing thematic overviews for several countries, including the V4, on the laws concerning the legal personality of NGOs. They have also addressed creating the environment and conditions for the reaffirmation and strengthening of the legal status of NGOs following the scope of international standards applicable to their establishment, notably in the European Convention on Human Rights ("the European Convention") as elaborated in the rulings of the European Court of Human Rights ("the European Court"). In the second part the responses to a questionnaire concerned with national law and practices concerning establishment are analysed. The former reveals that fairly clear requirements are now in place, while the latter shows that full compliance with them is not yet universal[170].

Beyond the general framework more specific as well as broader legal issues affecting the work of civil society and democracy development are still on the agenda. The law on volunteering, for example has just been issued recently in Hungary, while the operation and regulation of watchdog activities are still to be worked out. (The Association of Leaders of Local Civic Groups in

[169] *10 December 2009, Return to Europe: New freedoms embraced in Visegrad countries, but weak public support for assisting democracy further afield Author: Senior Research Fellow Zora Bútorová, Publisher: PASOS Secretariat, Prague, Czech Republic*
[170] *OING Conf/Exp (2009) 1*

Poland, for example focuses on the latter and has created a platform for exchanging experience with organizations from other Central and Eastern European countries through annually organized seminars[171].) Broader issues include the questions of transparency and accountability of public institutions (and of the CSOs themselves), the rights and consciousness of citizens, the respect for constitutionalism and the rule of law, mutual understanding and acceptance of people and groups with differences. These are burning issues and many of them are being dealt with by civil society organisations.

7.10 Provision of services

Provision of services by CSOs is a growing phenomenon in the region. Civil society organizations in the CEE region generally provide a wide range of services in areas such as healthcare, social welfare, education, environmental protection, youth work, drug prevention, etc. State, local government and civil society relationships are strongest in this area and are places for conflicts and clashing of views and interests.

The general lack of financial reserves makes service providers especially vulnerable as in the case of state budget cuts or improper cash flow, civil society organizations are not capable of continuing their services. This has been become especially clear when an organisation could not cope with the funding model laid out by larger state funds as well as by EU programmes (where costs are often reimbursed ex-post, and often late). Governments, although they present CSOs as partners, often view CSO service providers as subcontractors. Many organisations, purely for survival reasons, enter into subcontracting relationships, establishing service providing institutional expectations towards themselves without a real strategy on how to fulfil the expectations raised towards them and causing problems to their clientele. Athough, civil society organizations are often the only provider of services in some areas, for example, hospices are run solely by civil society organisations and the civil society also dominates in the provision of drug rehabilitation and HIV/AIDS prevention, etc. (Rakusanova 2007), they often need to broaden their mission to be able to receive state support. As there are limited alternatives to state funding, organisations' dependence on the state is often intolerable.

[171] *"Financed from the Batory Foundation and Trust for Civil Society in Central and Eastern Europe." http://www.watchdog.org.pl/english.php?dzial=1&id=1*

It is also true, that the legal form of NGO is often used only as an attachment to various state entities to gain tax advantages or to ease the administrative burden of state entities, typically among hospitals and schools.

As the countries concerned have economic shortcomings and challenges to their social safety nets, the role of service-providing NGOs will inevitably grow.

Although the collaboration with state entities by CSOs shares a lot of similarities in the V4, there has been minimal sharing of experiences beyond issue based thematic conferences.

7.11 Regionalism

In Europe, there are many examples of cooperation among several countries on issues of mutual interest, as well as cases of cooperation in cross-border regions. The scope for non-central governments (NCGs) to co-operate across borders has widened considerably during the last decades. To a large degree, this has been a natural process after the fall of the Berlin Wall, but it can also be related to macro-regional integration in Europe and last, but not least, to the active support of different stakeholders. In this section those key stakeholders will be introduced who have invested in regional cooperation and the regionalism of civil society organisations affecting the V4 region.

Among the pioneers of this type of work is a CSO, called the Carpathian Foundation Network that uses the subline "Five Nations, One Community" to express its determination to regionalism in the form of a network of the five independent foundations serving the Carpathian Euroregion (Poland, Slovakia, Ukraine, Hungary and Romania). Since as early as 1995, the Carpathian Foundations have supported the development of their diverse and multi - ethnic communities, encourage local partnerships, and assist grassroots not - for - profit organizations and local governments with capacity building operational programs as well as grants amounting to around ten million Euros.

Besides developmental work, there is unlimited number of topics that activate citizens in the region. If one has not encountered some of these foci personally, it is enough to leaf through the reports of projects funded by the EU, the European Commission and its institutions, the website of the Open Society Institute, the CEE Trust Fund, The International Visegrad Fund, various countries' state institutions, local government reports, civil society websites, etc.

In this section we will introduce those key institutions that have been active in promoting regionalism among civil society organisations in CEE, particularly in the V4.

Two supranational bodies, the Council of Europe and the European Union, have been important for improving the conditions of cooperation across borders: the Council of Europe has been active in improving the legal situation, while the Commission of the European Union provides substantial financial support to such initiatives. There are official initiatives such as the EUREGIO and the 'Working Communities' in Europe and many unofficial groupings of regions and regional initiatives[172]*. Legally, cooperation can take different forms, ranging from legally non-binding arrangements to public-law bodies (typically local authorities), and, occasionally, third-party organizations such as regional development agencies, interest associations, chambers of commerce, and CSOs. Some initiatives remain strictly ceremonial contacts, others engage in enduring and effective collaboration on a variety of issues.*

The states of the V4 have working and funding mechanisms for CSOs to work regionally (e.g., some areas of the National Civil Fund of Hungary). In addition to nationally available resources, the International Visegrad Fund was founded by the governments of the countries of the Visegrad Group to facilitate and promote the development of closer cooperation among V4 countries (and of the V4 countries with other countries, especially, but not exclusively, the non-EU member states in Eastern Europe, the Western Balkans, and the South Caucasus) through the support of common cultural, scientific, and educational projects, youth exchanges, cross-border projects, and tourism promotion."[173] *The budget of the Fund (€6 million as of 2010) consists of equal contributions from each of the Visegrad Group's governments. The Fund runs the following programs: three grant programs (Small/Standard/Strategic Grants), three scholarship schemes, several artist residencies, and a curriculum-building program for universities. In addition to NGOs, municipalities and local or regional governments, and schools and universities, private companies and individual citizens from the Visegrad Group countries (and other countries) are also eligible for the Fund's support. In the cases of small and standard grants, projects are supported by the IVF , with the exception of cross-border cooperation, for entities from at least three Visegrad Group (V4) countries, which participate and organize activities in a variety of areas of civil life, such as in cultural cooperation, scientific exchange and research, education, youth exchange,*

[172] *Some of them are often referred to as 'Euroregions' although this is originally a concept with specific attributes.*
[173] *http://www.visegradfund.org/about.html*

cross-border cooperation and promotion of tourism or "any field of activity (e.g. ecology, social affairs, sports and leisure, media, etc.)"[174] from sports festivals (e.g. 12th International Table Tennis Cup of Students) to social issues (e.g. Cooperation of Teachers of Hearing Impaired Children), to name a few. The Visegrad Strategic Program is more focused to support for long-term projects of a strategic nature that link the institutions of all four Visegrad Group countries and match the priorities defined by the Conference of Ministers for the given year following the foreign policy priorities of the Presidency of the Visegrad Group, for example: the V4 Response to the Decade of Roma Inclusion, Building a Green Visegrad, Sharing V4 Know-how with Neighbouring Regions, and V4 Promotion. While small grants add to the better understanding and cooperation of regional actors, especially on a grass roots level, the strategic grants result in thorough development of areas of mutual concern (including: Oral History: Commemorating the 20th Anniversary of the Central and Eastern European Transition; Urbanity: Visegrad City, Self-Reflection and Perspectives of CE capitals; Creating a Sphere of Security in the Wider Central Europe). Specific focus has been given to education by designing the Visegrad University Studies Grant (VUSG) for universities with the aim of promoting and supporting the development and launch of outstanding university courses and programs that deal with issues related to the Visegrad Group countries. A criticism that was often raised in the early years of the fund, namely that there was too much emphasis on regionalism and the V4, seems to be minimal after ten years of operation. This is largely due to the fact that the whole concept of regional cooperation has ripened and that the number of successful projects has proven the value of regional cooperation. The funding model for the IVF, i.e. short and medium-length financial funding conditioned by a co-funding model in most areas, although often difficult to manage, has also lead to better integration of the mission and the fund in the region. The growing number of applications and awarded projects and the rate of completion of successful projects by civil society organizations highlight the fact that more and more NGOs are able to successfully form networks of cooperation within the CEE region.

Some private donors share the vision of regionalism; among them are the Open Society Institute and its network institutions, the Trust for Civil Society, the Central European Foundation (to name a few to show the variety of scale, function, and method). These private grant giving organisations continue to make substantial investments into the development of civil society and encourage cross-border cooperation and collaboration.

[174] *http://www.visegradfund.org/grants.html*

The Open Society Institute (OSI)[175] *works to build vibrant and tolerant democracies whose governments are accountable to their citizens…The OSI's initiatives address specific issue areas on a regional or network-wide basis. The effect of the OSI's presence in the region will be the topic of another research paper, but one can hardly question the immense contribution it has made to the development of civil societies and advancing democracies originally in CEE and, later, globally. Specifically focused on CEE cooperation is the East-East: Partnership Beyond Borders program supporting international exchanges that brings together civil society actors to share ideas, information, knowledge, experiences, and expertise and supports practical actions that result from that networking. One of the largest of the Soros network institutions is the Central European University which is the exclusive beneficiary of a permanent endowment fund, which is one of the largest academic endowments in Europe. Its aim is to assist the process of transition from dictatorship to democracy in Central and Eastern Europe and Central Asia by contributing to innovative academic research, progressive higher education, and the development of a dynamic, sustainable open society primarily in the former "socialist" countries. Both the CEU and OSI are leaders of regional thinking and support and advise on policy initiatives for social and economic reform, work with local initiatives to strengthen good governance, and address challenges as diverse as supporting civil society, independent media, and promoting public health.*

The Trust Fund for Civil Society[176]*, jointly established by Atlantic Philanthropies, the C. S. Mott Foundation, the Ford Foundation, the German Marshall Fund of the United States, the OSI, and the Rockefeller Brother Fund, works to support the long term sustainable development of civil society and non-governmental organizations in Central and Eastern Europe, including cross-border and regional activities in which they may engage. The CEE Trust expects to allocate up to $75 million toward this aim by the end of 2012. Its geographical objectives are the V4 plus Bulgaria, Romania, and Slovenia. Its programme objectives are drawn from thorough knowledge of the field focusing on creating a supportive environment for civil society, which includes legal, fiscal, and political environments favourable to a strong civic life; capacity building, advocacy, intra sector and cross-sectoral cooperation and partnership, and enhancement of the financial sustainability of non-profit organizations. The CEE Trust awards grants and fellowships to individuals as well as in-country project and cross-border initiatives. The scope and scale of the*

[175] *This section is based on information available on www.soros.org and www.ceu.hu*
[176] *This section is based on information available on http://www.ceetrust.org/*

CEE Trust's grant-making activity are determined by the size of its budget for the coming years until the end of 2012, as well as the priorities of the CEE Trust in the relevant countries.

*Besides being a grant giving entity, t*he CEE Trust Fund has also taken on the role of being a hub for regional civil society energies. Its website, as well as the "Civil Society Forum" and the "Social Innovation Camp CEE" organised by the CEE Trust, are excellent examples of that. The Civil Society Forum alone has attracted around three hundred participants working for the betterment of societies in Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia. (Topics of discussion at the event included e-participation in transition democracies, the economic crisis and CEE societies, interaction between civil society and other sectors, how to face a future of post EU structural funding, and cultivating home-grown philanthropy in the region). From the major interest in and success of the event it is clear that there is a need for such venues and hubs. As the Trust has a planned lifespan of its own, it remains to be seen how its values can be sustained if additional donors were to join and/or continue the initiative for the benefit of the same or other regions.

The Central European Foundation, is a private, non-profit, grant-making organization, and has strived from the beginning to support the development of the Central European region. Its founders value the natural crossroads of cultures and ethnicities that coexist in such a small space in mutual respect. It supports artistic activities and cultural events linking Slovakia with other countries in the region, contributing to the preservation and development of a multi-lingual and multi-ethnic society in the region as a whole. In 2008 alone, the Foundation contributed almost 300 000 Euros to programs advancing regional and community development and civil society. "In almost 15 years of work by the Foundation, our main mission has not changed. We are still focused on the values and the social and cultural overlap in Central Europe. Over the last few years in particular, we perceive a need to strengthen the role of Slovakia as an integrated, equal partner and neighbour, which is open to its environment and conscious of its own value as a participant in that environment."[177]

As the examples of this paper suggest, there are several cases for collaboration in the area of civil society development in CEE and there are some, although a limited number, of state as well as private stakeholders supporting the regional development of and by CSOs. One needs to add that

[177] *http://www.cef.sk/EN/index.php?page=about*

regional cooperation of CSOs does not stop at the borders of the V4; instead more and more examples show that there are cases when CSOs from the V4 cooperate in advancing civil society in other regions. The developmental lessons and techniques of cooperation learnt in the V4 have been made available to other regions to advance civil societies.

7.12 Concluding remarks

Civil society development has been crucial for the democratic transition of the Central and Eastern European region for the last twenty years. It can be concluded that, over time, civil society has successfully built an intermediary space between private interests and the state in Central and Eastern Europe (see Rakusanova 2007). The civil society sector has been established and gone through major development regarding its sustainability. The overall sustainability of the civil society sector in recent years has been consolidated and it seems to stagnate in the region with some variation in certain areas.

This paper has aimed to capture specific developmental issues and cases of the civil society of the CEE region focusing on the V4 in the context of regional cooperation. It was highlighted that the V4 countries' civil societies do not show major differences regarding the overall sustainability, although certain patterns emerge in the different countries and response to them has been different by the different actors too. CSOs work together on several levels and on immense amount of issues.

The examples have presented cases when cooperation has lead to certain advancement of development of civil society sustainability, and even common action, while often leaving missed opportunities for joint work. It is stated that there is a limited, well definable number of stakeholders that advance the regional collaboration of CSOs. Besides active private donors and national state entities, the International Visegrad Fund, the Council of Europe and the European Union have been important for improving the conditions of cooperation across borders in the V4. As many of the current funding opportunities have a fix lifespan, solutions for long term sustainable mechanisms for securing regional cooperation are still to be found.

As some pioneering engagement suggest in other regions, among them is the Baltics and the Western Balkan, there is receptivness as well as already functioning cooperation to think and act more as a region. It is assumd, that at such places the experience of the V4 can be valid. It is recommended to generate as much clearing house opportunities of the regional experiences as

possible and to provide a wide array of networking opportunities within and among different regions for macro and micro level issues equally.

To be able to do that stakeholders need to understand the role they have and decide to set up institutional structures to advance those issues. Besides supranational entities and private foundations, states have a special role to play. The model of the International Visegrad Fund is presented in the paper as one unique well functioning example when states make joint strategic decision and commitment for the benefit a region believing in the power of its civil society.

As the examples of this paper suggest, one should not underestimate the buttom up approach to development that has proven to be the key sucess factor in the democracy development of the V4 region. The power of the local, regional and intra regional networks of organised and unorgaised groups of civil society need to be appreciated and recognised as important actors and supported in their efforts to advance peace, democracy and development issues.

8 V4 – TOWARDS A DYNAMIC REGIONAL PLATFORM WITH ADDED VALUE FOR THE EU

8.1 Introduction

The Visegrad cooperation is considered to be the most effective model of regional cooperation in Central Europe. The fulfillment of its most important priority –EU and NATO membership – as well as its potential for future development, allows Visegrad to serve as an example of regional cooperation, or at least as an inspiration for such, in other parts of Eastern and South-eastern Europe.

The successes of the V4, however, do not automatically diminish the danger of future stagnation of the initiative. In order to avoid this scenario, the V4 needs to continuously look for new directions of development and for innovative mechanisms that would enhance the cooperation in the future. A huge space also remains for new proposals, initiatives, and projects, with added value for the EU. Accession to the EU brought new opportunities for the V4, and not all of them have been adequately tapped yet. At the same time, it is by no means possible to detach development in the V4 from the ongoing processes in the EU. On the contrary, interdependency will only become stronger.

The paper is divided in seven major parts. The first part evaluates the ability of the Visegrad cooperation to serve as an effective instrument for solving problems and fulfilling the common goals of the V4 countries both in the pre- and post-accession periods. The second part focuses on the most recent examples of successful cooperation of the V4 countries, while on the other hand it also points at some issues in which the views of particular countries differed. The third part analyses the ability of the important documents, which frame the Visegrad cooperation, to respond to future challenges. The fourth part analyses the dilemma between weak and strong institutionalization and tries to find the most appropriate model for the V4. In the fifth part the author looks for future areas of cooperation within the V4 framework. The sixth part focuses on the possibilities of transferring the V4 model to neighboring regions, with special attention paid to the Western Balkans. In the final part the author makes some recommendations to the governments of the Visegrad countries.

8.2 V4 as an Instrument for Meeting Common Challenges

A short insight into the history of the Visegrad cooperation shows that the V4 became a well-established trademark both in Brussels and Washington, D.C. In the 1990s the Visegrad Four was a synonym of stability and prosperity in an otherwise unstable post-communist world. Though later the V4 had to overcome several critical moments and in the period 1993-1998 it was even suspended, the achievement of its most crucial goal – the integration of all four countries into NATO and the European Union - can be considered as a great success both of the individual countries, and also a great achievement of the Visegrad Group as a whole.

In fact, during the negotiation process with the EU the Visegrad Group became a strategic platform for the exchange of views and coordination of activities. This, however, does not mean that the V4 countries were always loyal to the interests of their partners in the group. Even in the end of 2002, during the final phase of negotiations with the European Union, each of four countries fought for its interests alone, forgetting about solidarity within the group. A similar situation was repeated one year later at the Brussels Summit of the European Union. The diversity of views on particular issues, however, cannot overshadow the successes of the Visegrad Group both in the pre- and post-accession periods. On the contrary, such diversity only highlights the importance of the V4 as a platform for exchanging views and discussing common interests.

After accession to the European Union, the Visegrad Four has been looking for new priorities and goals. It has become obvious that it is quite difficult to find goals of importance comparable to the EU and NATO accession. Though almost immediately after the accession, the representatives of the V4 identified new priority areas for future cooperation and embodied them in the Kroměříž Declaration[178], skeptical voices regarding the viability of the V4 regional initiative under new conditions of the EU membership could not be ignored. To some extent, not only the EU, but also the V4 countries were suffering from post-enlargement fatigue and to had to adapt to their new roles as EU member states. In other words, in the first years after EU accession, the challenges connected with membership overshadowed the initiatives held under the umbrella of Visegrad.

In light of the above, 2007 represented an important year for the V4, especially in terms of achieving some common goals and creating new ones. Though the Visegrad countries were not

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[178] *"Declaration of Prime Ministers of the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic on Cooperation of the Visegrád Group Countries after Their Accession to the European Union (12 May 2004)";*
http://www.visegradgroup.eu/main.php?folderID=942&articleID=3894&ctag=articlelist&iid=1; "Guidelines on the Future Areas of Visegrad Cooperation";
http://www.visegradgroup.eu/main.php?folderID=941&articleID=3936&ctag=articlelist&iid=1.

speaking with a unified voice, the year 2007 definitely confirmed the sustainability and effectiveness of the V4 in the post-enlargement period. Moreover, despite the (natural) competition among the V4 countries, e.g. in the case of the seat of the European Institute of Technology, where three out of four V4 countries – Hungary, Poland, and Slovakia applied to host seat of the European Institute of Technology without reaching any kind of agreement on the Visegrad level [179], the year 2007 showed that solidarity is one of the leading principles of the Visegrad Cooperation. The support of Poland and Hungary for the Czech and Slovak Republics' joint application to host the European Nuclear Energy Forum in Bratislava and Prague can be mentioned as an example. Both the Czech Republic and Slovakia are well known supporters of nuclear energy, while Poland and Hungary demonstrated that they also recognize the importance of nuclear energy as one of the most important energy resources. [180]To achieve the goals set by the former Slovak and Czech presidencies – among which of particular import were the strengthening of the coordination and consultation aspects of cooperation, more efficient cooperation among the V4 countries within the EU, and openness towards cooperation in a V4 Plus format [181] – the V4 had not only to continue activities from the past, but to improve them, too.

First, the contribution of the Visegrad Four countries to EU policies was much more significant in 2007 than it had been in the years before, especially when European Neighborhood Policy and energy security are taken into account. The transformation of the V4 into a dynamic regional forum in the EU was even underlined by the participation of the prime ministers of EU presidency countries – Portugal and Slovenia -attending the meetings of the Visegrad prime ministers.[182] Such meetings not only allowed the Visegrad prime ministers to have access to first-hand information, but also certainly contributed to the further improvement of the reputation and importance of the V4 in the EU.

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[179] *Slovakia even submitted the joint application with Austria.*

[180] *In this field the positions of the V4 countries sharply contradict with the position of neighboring Austria, which also has an ambition to play significant, if not a leading role in Central Europe.*

[181] *The Programme of Slovakia's V4 Presidency 2006/2007, www.visegradgroup.eu; Czech Presidency of the Visegrad Group (June 2007 - June 2008), www.visegradgroup.eu.*

[182] *The first meeting with the participation of José Socrates, the Portuguese Prime Minister, was held under the Slovak Presidency of the V4 in Bratislava on June 18. The Slovenian Prime Minister Janez Janša took part in the meeting of Visegrad prime ministers in Ostrava on December 10, held already under the Czech presidency. See* www.visegradgroup.eu.

Second, continuity in terms of cooperation with non-Visegrad countries on joint projects and initiatives with the V4 countries under the Visegrad Four Plus framework can be highlighted as another important element of both the Slovak and Czech presidencies. Apart from 'traditional' partners like Austria and Slovenia, cooperation in the V4 Plus framework in 2007 also encompassed, for example, Bulgaria, Romania, Moldova, and Japan.

Last but not least, another important pillar underpinning the Visegrad Cooperation was enhanced cooperation with other regional initiatives, both from inside and outside the EU. The V4 has cooperated mainly with BENELUX and theB3 (Baltic Three) regional initiatives, while prospects for cooperation with the GUAM initiative were considered as well.

The cooperation achieved by the Visegrad members in 2008 and 2009 under the Czech, Polish, and Hungarian presidencies proved again that the V4 can be considered a model of good regional cooperation and, at the same time, the most successful regional initiative in Central Europe. The position of the Visegrad Four (V4) as a respected regional platform within the European Union was, in addition, further strengthened by its fifth year of EU membership. This was also demonstrated by the continually expanding foreign policy dimension of cooperation within the V4. Despite the disparate positions held by the individual Visegrad countries on various political issues, the Visegrad Four proved that it is a lively platform not only for exchanging opinions, but increasingly for adopting common positions of strategic significance. Moreover, there are increasingly clear indications that the V4 tends to participate in an active manner, in both formulating and influencing EU policies.

A positive aspect, which was unambiguously confirmed in 2008 and 2009, is that the cooperation had ceased to be significantly impacted by bilateral problems amongst the individual Visegrad countries. Although these years proved to be some of the most difficult in terms of Slovak-Hungarian relations, this did not manifest itself in the communication within the V4. Hence, compared to the nineties, substantial progress was made, which can be regarded as a positive example for the countries of Eastern Europe, particularly for the battle-scarred region of the West Balkans.

The past three years also confirmed the growing interconnectedness between the efficacy of cooperation within the V4 and the presidencies of the different countries. Although, the presidencies' agendas are approved by all of the Visegrad partners, the institution of the

presidency offers each country the opportunity to propose and carry out its own initiatives. Intensification of the Visegrad cooperation in the future will require not only careful handling by the presidency, but also that the presidency be active in taking initiative; This poses a challenge not only for the ongoing Hungarian presidency, but will also for the subsequent Slovak presidency.

An increasingly important role is being played by the International Visegrad Fund (IVF) within the V4, as well as in developing contacts with countries from beyond the Group's borders. The budget, totaling six million euros in 2010, provides support for projects focused on both cross-border and interregional cooperation. Scholarship programs are an increasingly important aspect of the IVF, particularly those aimed at students and experts from Eastern European and West Balkan countries, which deserve special emphasis.

The year 2009 represented a new experience for the V4 countries, since one of them – the Czech Republic, was the first to preside over the Council of the EU. The Czech presidency program was conceived through the Czech Republic's intense consultations with its Visegrad partners; particular emphasis was placed, for instance, on the above-mentioned reinforcement of the European Neighborhood Policy's eastern dimension, the issue of removing barriers and counteracting protectionism within the Union in economic and social areas, and on the issue of the climate and energy package. The approach taken by the Czech Republic deserves not only recognition, but should also be taken into consideration when the upcoming Hungarian and Polish presidencies prepare their agendas. The Czech Republic, as the presiding country, did not simply represent all of the Visegrad Four countries in purely symbolic terms. It can thus be argued that the success of the Czech presidency can also be considered the success of the Visegrad Four. It is important to make this kind of remark because opportunities to represent the V4 at the highest European level do not present themselves often enough for them to be thoughtlessly squandered.

The possibilities of further development of the Visegrad Group, including proposals on innovative instruments and areas of cooperation, are discussed further in section 5.

8.3 Diversity in Views, Unity in Strategic Interests

It has been appreciated since the launch of the V4, and especially since the admission of these states into EU, that the Visegrad region is a region in which political leaders are able to agree upon many issues and cooperate and that, along with natural national interests, there are also certain regional interests. The Visegrad skeptics have also realized that a viable path to EU politics

has led many times via the Visegrad cooperation. Coalitions are created in many ways, but a voice is always more powerful when it is of four united countries supported by a joint declaration than one standing alone.

This section identifies the most important successes of the V4 in the post-accession period, and also points out some issues where the opinion of the V4 countries differed. Cases have, naturally, also appeared in which the V4 countries have not been able to speak in one voice or, perhaps, have been far from reaching a compromise. Given the extensive and multilayered nature of the Visegrad agenda, this section mainly focuses on the most important issues or topics concerning the foreign policy dimension of the Visegrad cooperation. All the cases described in this section, however, have direct or indirect implications on the neighboring regions of Eastern and South-eastern Europe. On the basis of the examples set forth, it is possible to draw some "lessons learned", which create a certain background for future development in the framework of the V4.

8.3.1 Successes: Schengen, ENP, Energy Security and IVF

Schengen. One of the most important successes of the V4 in the post-accession period was that they managed to enter the Schengen system according to their plan, by the end of 2007. To a large extent this was truly due to a close coordination of the positions of the Visegrad partners and their joint opposition to the Austrian idea of implementing a four month transition period and postponing the date of the accession to Schengen to almost the middle of 2008. The last months of 2007 found the Regional Partnership Initiative, perceived to be the Austria-led counterpart to the Visegrad, strongly divided on this issue, having the V4 countries and Slovenia on one side and Austria on the other. This division served to underline the fact that, due to the internal coherence of the participating countries on these issues of crucial importance, the V4 has a stronger voice in the EU than any other regional initiative in Central Europe, and also that Austria's unilateral steps were perceived with suspicion.

Relations with Eastern Neighbors. The V4 countries have demonstrated their positive attitude towards their Eastern neighbors since their accession to the EU. The support for the intensification of relations between the EU and Ukraine, Moldova, and Belarus has also been one of the top priorities of the foreign policies of the Visegrad countries in past years. Apart from stressing the open door policy to any European country aspiring for EU membership – which means that the ENP should not be perceived as an alternative to future EU membership, but rather an effective

instrument to achieve this goal – the V4 countries also declared their willingness to assist their eastern neighbors in implementing necessary political and economic reforms.

Energy Security. The V4 countries fully recognized the importance of the issue of energy security. Since all of the V4 countries are – though to varying extents - dependent on foreign energy resources, the coordination of their positions in the field of energy security is a natural step. However, mainly due to varying types of energy usage in the V4 countries, it has been difficult to find a common strategy that would fulfill the expectations of all members. On the other hand, the establishment of regular meetings at a sectoral level on issues related to energy security shows that all of the Visegrad partners are aware of the importance of this issue and, apart from debating it, they also show an increasing willingness to coordinate their steps.

IVF. The International Visegrad Fund (IVF) remains the only institution in the Visegrad framework. The increase of the IVF budget to 6 million EUR (since 2010) can be mentioned as an important step towards future improvement of the Visegrad Cooperation through numerous projects, both approved and adopted. However, due to the importance of educational and academic exchanges, the role of the Visegrad scholarship program, which offers scholarships to students from non-Visegrad countries, especially Ukraine, should be underlined. The students from other Eastern European countries and the Western Balkans also have an opportunity to apply for scholarships through the Visegrad scholarship program .[183] It can be argued that the Visegrad Scholarship Program not only enables the promotion of the Visegrad idea in a highly effective manner, but helps students from non-EU countries to study at universities in EU member countries, which in fact contributes to the spread of European values.

8.3.2 Problem Areas: EU Reform Treaty/Lisbon Treaty, Anti-Missile Defense System, Kosovo

When summarizing the V4's past, the most controversial issues splitting the Visegrad partners have been their attitudes towards the EU reform treaty/Lisbon treaty, anti-missile defense system, and their divergent positions towards the issue of Kosovo's independence and the case of Georgia.

EU Reform Treaty/LisbonTtreaty. In the issue of the EU reform treaty/Lisbon Treaty the V4 was divided into two equal parts. In this case the Czech Republic and Poland presented rather negative attitudes, while Slovakia and Hungary were quite strongly in favor of the adoption of the treaty,

[183] *For more details see Visegrad Fund – Annual Report 2008, www.visegradfund.org.*

arguing that the EU needed a new institutional background. Even though some changes occurred in the Czech and ,especially, the Polish positions, the V4 countries did not reach any joint position towards this issue. In the case of Poland the issue of the EU reform treaty/Lisbon treaty became an instrument used by domestic political actors for their own purposes. It only highlighted the attitudinal gap between the president Lech Kaczyński and Prime Minister Donald Tusk. As a consequence, in spite of the formal agreement made by the prime ministers of the Visegrad countries on the benefits of approving the Lisbon Treaty, Poland and the Czech Republic found themselves, for various reasons and somewhat unjustly, categorized as Euro-skeptic countries. However, it remains a fact that in both the Czech Republic and Poland, the Lisbon Treaty was used as a domestic political football or as a symbol of the categorical disapproval some domestic political actors have on the deepening process of European integration.

Anti-Missile Defense System. The Czech Republic and Poland were both addressed by the Bush administration to build parts of an anti-missile defense system on their territories. In both countries the governments had to face opposing political attitudes and the pressure of public opinion. Moreover, the establishment of the anti-missile defense system within the territories of two Visegrad countries was perceived rather negatively by the representatives of Slovakia and, to some extent, Hungary. The official positions of both Hungarian and Slovak diplomacies, however, showed that neither Hungary nor Slovakia were going to occupy the roles of problem makers and, in fact, accepted the status quo. Even though the plan to build a defense system in the two V4 countries changed significantly under the Obama presidency, the split in opinions of the V4 leaders remains, since Slovak prime minister Robert Fico has openly declared his disagreement with the possible deployment of any kind of anti-missile defense system on the territory of Slovakia.

Kosovo and Georgia. The views of the representatives of the individual V4 countries continue to differ on Kosovo's declaration of independence and on the issue of who provoked the Russia – Georgia conflict. In the case of Kosovo, Slovakia remains the only Visegrad country which has not recognized the independence of this former Southern Serbian province. The conflicting opinions, however, did not prevent the Visegrad partners from finding a compromise on the issue of providing Visegrad scholarships to Kosovar students. In seeking to establish the source of the Russia – Georgia conflict, the Slovak Republic took Russia's side, while Poland unambiguously supported the pro-Georgian standpoint. The Czech representation was divided on this issue – while the former Prime Minister Mirek Topolánek accepted most of Georgia's arguments,

President Václav Klaus sided more with the Russians. The ruling Hungarian Socialist Party was relatively cautious – although it later voiced more support for Georgia; while the Hungarian opposition headed by the strongest party, Fidesz, can be seen as an unambiguous supporter of Georgia and a critic of Russia. Despite this difference in opinions, the Visegrad partners managed to agree to unambiguously support Georgia's sovereignty and territorial integrity.184

The most recent Slovak, Czech, and Polish V4 presidencies share all achieved some successes, but did not fulfill expectations in other areas. Most of these unfulfilled expectations can be categorized in terms of the different positions the individual countries hold on key political issues or policies. In this context, the V4 countries continue to exhibit differences in opinion on a variety of issues, including ratification of the Lisbon Treaty, on the means of guaranteeing energy security, or on the issue of Kosovo's unilaterally declared independence. However, their individual positions turned out not to be an obstacle for cooperation on the V4 level, nor did they hinder the development of joint projects or positions on issues of strategic importance. Even the recent development related to the ratification of the Lisbon Treaty showed that the strategic interest of the Visegrad countries – as verbalized by the V4 prime ministers - prevailed over domestic disputes in particular V4 countries.

It should, however, not be forgotten that, aside from the solidarity demonstrated in strategic decisions and strategic frameworks where a consensus should and does exist, a very natural rivalry exists in the region. Fair competition among the participating states is an indivisible part of any regional cooperation, and the V4 is not an exception here.

8.4 Framing Documents and Guidelines – Do They Need to be Updated?

The ability of the Visegrad Four to face effectively common challenges is to a large extent derived from its set framing documents, which dictate activities of the Group and define the role of particular stakeholders. The Visegrad cooperation is based on only a limited number of such documents – two general declarations, two sets of guidelines, and one supplement to these guidelines – which means that a large portion of the success of the V4 relies on factors other than strict rules and rigidly defined modes of conduct. Therefore, a legitimate question arises about the need to amend or update the document database.

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184 See e.g. "Joint Statement of the Visegrad Group Prime Ministers" (November 5, 2008); http://www.visegradgroup.eu/main.php?folderID=830&articleID=19376&ctag=articlelist&iid=1.

The first declaration establishing the Visegrad Group - signed by the representatives of the "Visegrad-Three" (Czechoslovakia, Hungary, and Poland) in 1991 in Visegrád, Hungary - set up the basic goals of this regional initiative and created a basis for further development of joint activities, including "the full involvement in the European economic and political system". [185] *After the revitalization of the cooperation in 1998, the prime ministers of the V4 countries agreed on the Contents of the Visegrad cooperation, which were approved in Bratislava in 1999. The Contents included substantive elements of cooperation in eight areas – 1. foreign affairs, 2. internal affairs, 3. education, culture, society, youth, and sport, 4. science and technology, 5. the environment, 6. infrastructure, and 7. cross-border cooperation. Another important element of the Contents was the description of the structure of the Visegrad intergovernmental cooperation, as well as the involvement of other stakeholders, including parliaments and civil society organizations.*[186] *The role of the presidency of the Visegrad group was defined in the annex to the Contents.*[187] *The rotating presidency was supposed to intensify the cooperation and concentrate it into a few high priority areas. The main areas of cooperation in the post-accession period were then identified in the so-called Kroměříž Delaration (2004) and attached Guidelines on the future areas of theVisegrad co-operation (2004).*[188] *The latter also described more precisely the mechanisms of cooperation, while mentioning the specific roles of meetings of the presidents of the V4 countries and the cooperation of their parliaments.*

Both Visegrad declarations and sets of guidelines assign the most important role to the governments of particular countries, while presidents and parliaments are supposed to play only a secondary role. Nonetheless, there is also a list of meetings of parliamentary committees of the Visegrad countries, and meetings of the presidents of the parliaments. Other parts of society, including academic institutions, cultural institutes, or NGOs, are supposed to be involved in the cooperation mainly through activities supported by the Visegrad Fund.

When responding to the question of whether there is a need to update or amend the document database which frames the Visegrad cooperation, it is important to note the mutual will of the Visegrad partners not to change the status quo. There is a consensus on the preservation of

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[185] *Declaration on Cooperation between the Czech and Slovak Federal Republic, the Republic of Poland and the Republic of Hungary in Striving for European Integration, 1991, www.visegradgroup.eu.*
[186] *Contents of Visegrad cooperation, 1999, www.visegradgroup.eu.*
[187] *Annex to the Contents of Visegrad Cooperation, 2002, www.visegradgroup.eu.*
[188] *Declaration of Prime Ministers of the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic on the Cooperation of the Visegrad Group countries after their accession to the European Union, Guidelines on the future areas of Visegrad co-operation (2004).*

already existing declarations, as well as the contents of cooperation and guidelines, since these documents provide Visegrad leaders with a sufficient framework for acting. It is quite obvious that the V4 – at least in the foreseeable future - is not going to respond to a challenge that would be comparable to the EU accession, so the document database will most probably remain without significant changes or updates. Due to the flexible character of the cooperation, the V4 leaders are rather expected to react on future challenges with ad hoc declarations or statements.

8.5 Institutional Arrangements

8.5.1 Advantages and Disadvantages of the Weak Institutionalization

There are other questions to be asked: Does the future existence of the Visegrad Group depend on its further institutionalization? To what extent is the success of regional cooperation based on the existence of institutions and what institutional background is necessary for maintaining the cooperation as viable and efficient?

Declarations and sets of guidelines create only the necessary background for a regional initiative, while its efficiency is based on the willingness of the involved countries to participate equally in the cooperation, as well as on effective coordination of their standpoints and activities. The Visegrad Group, as such, does not have any institutional background in the form of secretariat through which the activities of the group are managed. At present, the only established institution within the Visegrad frame is the International Visegrad Fund, which is to a large extent, an independent entity. Founded in 2000, the Fund is dedicated to supporting cultural and educational projects, exchanges of students and scholars, cross-border cooperation, and tourism promotion. Its main goal is to foster the idea of Central Europe and cooperation among the V4 countries. [189] *Apart from the IVF, the Visegrad cooperation is based on regular, but rather informal meetings of high-ranking state officials, as well as representatives of ministries, parliaments, or self-governments. The last Kroměříž Declaration of the V4 Prime Ministers neither categorically*

[189] *The budget of the Fund (EUR 6 million since 2010) consists of equal contributions from the governments of the V4 countries. The Fund provides support through four grant programs, three scholarship schemes and artist residencies. Among the recipients of the Fund's support are mainly non-governmental organizations, municipalities and local governments, private companies, schools and universities and individual students and artists.*

rejected further institutionalization of the Visegrad cooperation, nor openly supported it. [190] *The current model of the weak institutionalization of the V4 has advantages, which can be summarized as follows:*

Flexibility and openness to new ideas and contents. The absence of the existence of a single body that would coordinate activities in the V4, the governments are able to respond more flexibly to the new challenges and react to the new impulses and initiatives.

More efficient spending of financial resources. The absence of a secretariat conserves the financial resources that would be necessary for its maintenance. Moreover, since the V4 coordinators are employees of foreign ministries, they are financed from the budgets of their respective countries.

The great importance of the principle of solidarity. The lack of formal codes of conduct and absence of rigid mechanisms of cooperation strengthens the importance of the informal rules and values on which the regional initiative is based. In the case of the V4, the principle of solidarity plays an especially important role.

The Possibility of organizing ad hoc meetings and coalitions with other countries. A flexible organizational structure enables the V4 countries to cooperate more intensively with partners from outside the group. They can, for example, organize ad hoc meetings or even create temporary coalitions with one, two, or more non-V4 countries.

The weak level of institutionalization also brings along certain disadvantages that have an impact on the overall performance of the V4. The most important disadvantages are listed below.

The absence of a single coordinating body. The weak institutionalization of the V4 influences the coordination of activities in the V4. Instead of one secretariat, the management of the V4 is in the hands of several actors. In addition, the V4's national coordinators, who are responsible for the implementation of the presidency programs, differ significantly in terms of competency. Generally, their positions at their respective foreign ministries are rather weak.

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[190] *See Declaration of Prime Ministers of the Czech Republic, the Republic of Hungary, the Republic of Poland and the Slovak Republic on Cooperation of the Visegrad Group Countries after their Accession to the European Union.*

Lack of strictly defined communication procedures and mechanisms of cooperation. The absence of a single coordinating body goes hand in hand with the rather informal manner of communication among the Visegrad partners. The procedural aspects are, therefore, based on mutual agreements rather than on strictly defined rules.

Decisions are not legally binding. Prevailing informal character of cooperation within the V4 framework is also reflected in the outcomes. Instead of legally binding decisions, the V4 partners usually issue various declarations or statements.

Difficulties in building the so-called Visegrad identity. Another disadvantage of the weak institutionalization is the limited number of pillars on which regional identity can be built. Institutions are often used as popular points of reference, which are trusted by the citizens. The weak institutionalization therefore brings more confusion into the process of defining regional identity.

There is a consensus in the Visegrad Group not to institutionalize it beyond the level of the International Visegrad Fund. Political will exists to maintain regional cooperation mostly as an informal platform for discussions on various political issues at the level of prime ministers, other government members, state secretaries, ambassadors, Visegrad coordinators, presidents, etc. On the other hand, the increased budget for the IVF and its support from the governments of the V4 countries, the steadily growing number of applications for different grants, as well as the rising number of awarded scholarships – also for students from non-Visegrad countries, – prove that the importance of the IVF for the V4 is crucial.

Nonetheless, within the V4 there is a tendency to create new mechanisms for cooperation within the existing framework. For example, the principle of a priori solidarity is being discussed. This means that if a V4 member state has a dispute about a specific topic with a third party, a country outside the V4, it would get certain a priori support from the other V4 partners. Even though the principle of a priori solidarity still has not gone into effect, this example shows that room exists for new initiatives without changing the existing institutional background or document database.

In conclusion, the history of the Visegrad cooperation shows that the regional initiative can be viable and efficient even while maintaining quite weak institutionalization. This assumption, however, is valid only if values, principles and informal rules exist, which are shared by all partners. One of the most important among them is the principle of solidarity. Despite the above

mentioned divergences in the positions of particular V4 countries, solidarity has remained the leading principle in the Visegrad Group. Another predisposition for a viable regional initiative remains the appropriate selection of the common goals and aims that are to be achieved. It also has to be underlined that the building of regional cooperation goes hand in hand with establishing a well-recognized regional "trademark", which enjoys a good reputation abroad. In this field the V4 may serve as an especially good example.

8.5.2 Enlargement Issue

In the past there were several attempts to enlarge the V4, while Slovenia, Austria, and even Ukraine were mentioned as possible candidates. At present, however, V4 enlargement does not seem to be an issue, since the Visegrad Group is in the process of redefining its priorities and meeting the challenges connected with EU membership. On the other hand, this does not mean that in the future the enlargement issue might be raised again on the V4 agenda.

8.6 What Future for Visegrad? Challenges and Opportunities

It can be argued that in the 1990s the Visegrad cooperation largely depended on the configuration of political elites and internal political development in particular states. For instance, various tensions between the Slovak Republic and Hungary also influenced cooperation within the V4. Internal political stability and good bilateral relations among the Visegrad states are, therefore, basic presumptions for the future stability of the whole Group.

The most sensitive relationship is perhaps the Slovak-Hungarian one. Apart from deeply rooted prejudices and stereotypes resulting from more than a millennium of co-existence of Hungarians and Slovaks in one state, most of the tensions are connected with the status of the Hungarian minority living in Slovakia. It can be argued that the Visegrad cooperation no longer suffers from bilateral tensions or poor political development in particular countries. However, when taking into account the present and future configuration of political elites in the V4 countries, and especially in Hungary and Slovakia, one can easily come to the conclusion that the current status quo might change and Slovak-Hungarian relations might again influence development inside the V4.

Some political analysts consider Poland to be the most destabilizing element in the V4. The number of voices in the Council, as well as in the European parliament, dedicates Poland to playing the role of a bigger country within the EU. It is, therefore, possible that Poland will try to

exploit more its position to shift from the V4 to the "elite club" of big countries. The existing cooperation between France, Germany, and Poland known as the Weimar Triangle might be, metaphorically speaking, a window to such an "elite club". For the time being, however, Poland is occupying two chairs: the Visegrad and Weimar ones. Not surprisingly, from the point of view of the other Visegrad Group countries, this might be perceived as an advantage: under feasible circumstances Poland could serve as the channel for articulating their views and interests in the so-called "elite club". On the other hand, it can be argued that the cooperation under the V4 umbrella has been profitable for Poland, too. First, this applies to cooperation among V4 countries within the EU. The coordination of activities with other V4 countries enabled Poland to enter the Schengen system at the scheduled time and strengthen its arguments calling for changes in the energy and climate package, which the EU was about to adopt in 2008. Another important area in which Poland enjoys the support of the V4 countries (and profits from it), are energy security and the Eastern dimension of the ENP (Eastern Partnership).

Though the IVF has remained one of the most important successes of the V4, there are also some important problems that should not be overlooked. For instance, the number of scholarships given to the students from the Western Balkans is still relatively low. Another problem is that the grant scheme suffers from a lack of flexibility. It can be demonstrated through the fact that all applicants for the grants are required to pay all of the expenses related to their projects, while reimbursement takes place only weeks after the event or the whole project is finished. This rule is applied to all applicants, regardless of their financial situation. Reconsideration of the grant scheme and rules applied, together with an increase in the number of scholarships given to students, may be therefore one of the challenges for future V4 presidencies.

After the accession of the V4 countries to the EU there appeared skeptical voices questioning the future of the V4. However, the pragmatic interests of V4 countries in cooperating with each other and creating a grouping comparable in its importance with other regional initiatives such as Benelux or the Nordic Council, overcame the skeptics.

The challenges the V4 faces now are, to a large degree, inter-connected with EU policies or the operation of V4 countries within international organizations such as NATO and OSCE, but also within the EU itself. It can be argued that the main European themes will also dominate the Visegrad agenda in the future. This will include going forward in cooperation with eastern neighbors within the Eastern Partnership. Furthermore, the agenda will also support countries of

the Western Balkans and their integration into the EU. Here V4 countries can not merely 'give them a lecture' but can also provide concrete information about problematic issues the V4 countries faced on the road to EU accession so that the Western Balkan states can avoid making similar mistakes.

Energy security is another huge theme touching upon all of the V4 countries, within which new forms for greater cooperation are being pursued. The Polish, as well as the Czech presidencies of the V4 endeavored in some ways to institutionalize meetings of the representatives of relevant departments who would regularly discuss energy security issues. There have been efforts to strengthen these consultation mechanisms because of the possibility of a future energy crisis. The natural gas crisis at the start of 2009, when the Czech Republic and other Visegrad partners helped Slovakia tackle its gas shortage after Ukraine cut off the flow of gas proved the need for better cooperation in this field. The V4 countries still face a number of challenges that need to be solved in order to make cooperation in the field of energy more effective. For example, transition networks between the V4 states are not completely interconnected, which is a significant problem.

Another theme related to energy security is the use of nuclear energy within which Slovakia and the Czech Republic have already created a tandem approach supported by other V4 states. It can be argued that all themes and projects related to transmission of electricity or hydrocarbons, for example the Nabucco pipeline, are touching upon all Visegrad countries with regards to their position on the outer borders of the EU. Therefore, closely connected with this is the significant engagement of the V4 countries in the Eastern Partnership.

Cross-border cooperation can be mentioned as another fundamental challenge for the V4, especially in terms of strengthening cooperation with the countries neighboring the EU and the V4, especially Ukraine. Here V4 countries can contribute in a more significant or more innovative way than other EU countries because they know these border regions. There is also no fundamental language barrier, so the number of joint projects is likely to increase in the future.

The V4+ mechanism also has a great perspective because it enables countries outside the V4 'to associate' with the V4 for a certain period of time and cooperate intensively in fields interesting for both the V4 countries and countries outside the group. This is a format which serves for better communication with countries outside the V4 and, paradoxically, these are not only countries

neighboring the Visegrad region, but also, for example Japan and Israel. Cooperation within this mechanism is variable, for instance on economic issues or agriculture, but its objective may also be the EU accession agenda, as is the case of the Western Balkan countries. It depends just on the needs of the external countries and the interest of the V4 countries to accept such offers for cooperation, so the space for cooperation is very extensive.

Another area where the potential of the V4 could be used is in supporting the candidates of V4 countries for various international posts. The Visegrad cooperation also offers space to better utilize the presidency of the EU among the V4 countries for strengthening regional cooperation and to raise regional themes created within V4 to the EU level. The example of the Eastern Partnership project shows that Visegrad countries may be able to make a significant contribution also to EU policies or for policies of other international organizations, such as NATO, OSCE, etc.

Though there has been a systematic effort to bring Visegrad closer to its citizens, the V4 remains predominantly a political project, whose attractiveness in the population is to a large extent limited. Another big challenge is therefore related to the possibilities of spreading the Visegrad idea among the populations of the V4 countries. [191]

There also are some proposals for introducing new instruments of cooperation without changing the institutional framework of the V4. Their implementation could possibly intensify the collaboration within the Visegrad Group. The first comes from the Czech Republic and the second from Slovakia.

The Czech proposal aims to facilitate a discussion on the "raison d'ệtre" and future development of the Visegrad Group. The goal is also to assess the strengths and weaknesses of the present cooperation and communication mechanisms and to discuss the possibility of accepting more precise rules of procedures. The added value is the creation of a platform for discussions inside the foreign ministry and among the ministries in particular countries. An additional aim is to evaluate the potential of the V4 cooperation for the foreign policies of the Visegrad countries. Though the original proposal was designed for the Czech Republic, it can be easily extended to all V4 countries, with the following main outcomes:

- *Identifying the meaning of the Visegrad Group and its future areas of co-operation for the V4 countries,*

[191] *See T. Strážay, "The Importance of V4", Interview for The Slovak Spectator (August 31, 2009).*

- *Identifying the similarities and the differences in the content of the interests of the individual countries of the Visegrad group,*
- *Identifying a common denominator for the manner in which the V4 countries should pursue their future profile within the framework of the V4.*
- *Establishing an optimal functional model for the V4 from the perspective of particular V4 countries and their interests.* [192]

Similarly to the Czech initiative, the Slovak proposal also tends to become an instrument that can be employed together with previously existing tools. It aims to create a platform for regular and structured dialogue and for the exchange of views and ideas among the Visegrad experts, especially from the non-governmental sphere. The platform could also serve as a source of new proposals and recommendations for the governments of the Visegrad countries, the Visegrad Group presidencies, and the International Visegrad Fund. Another challenge the project tries to tackle is that of bringing the Visegrad cooperation closer to citizens, especially through their direct involvement in the project. The idea is to establish four working groups covering the most important priorities of the V4, including energy security, EU enlargement, relations with Eastern neighbors, and development assistance. Each working group should consist of experts representing different sections of society from each of the Visegrad countries – the non-governmental sector, businesses, and the academic sphere. However, the meetings of the working groups should also be open to representatives of the Visegrad countries' governments who will have the status of observers. These meetings will be held on a regular basis, twice a year, while the members of each particular working group will be recommended to communicate more frequently on a national basis. The implementation of the project will, on the one hand, improve networking among the Visegrad think-tanks and research institutes, while on the other hand it will enhance cooperation among the V4 leaders by providing them with original and unconventional suggestions and proposals.193

In conclusion – there are a number of themes to which V4 can provide a certain 'added value' and there are proposals of new tools that can make the V4 cooperation even more effective. One of the biggest challenges the V4 faces, however, is connected with the possibility of transferring best

[192] *What is the future of the Visegrad Group? Is the Visegrad cooperation still relevant? , Ministry of Foreign Affairs of the Czech Republic (April 29, 2009).*
[193] *This proposal was introduced by the Research Center of the Slovak Foreign Policy Association in September 2009 under the working name "The Visegrad Convention".*

practices to the neighboring regions of Eastern and South-eastern Europe. The next section will cover this challenge.

8.7 The Possibilties of Transfering the Visegrad Model – the Case of the Western Balkans

This chapter discusses the possibilities of transferring the best practices of the Visegrad model of regional cooperation to the neighboring regions of Eastern Europe and the Western Balkans. Generally speaking, although the above mentioned Kroměříž Declaration included support for both Eastern European and Western Balkan countries' integration ambitions, the V4 as such was more East European than Balkan oriented. A widely spread argument explaining the exclusion of the Western Balkans from the top priorities of the Visegrad Group was that Eastern neighbors are geographically closer to the V4 than the Western Balkan countries. This attitude was pursued especially by Poland. Apart from geopolitical arguments, Polish diplomacy also stressed the role of cultural and linguistic closeness, as well as the importance of economic factors.

Due to the V4 orientation eastwards, the Western Balkan agenda became a priority for another Central European regional initiative – a Regional Partnership. It can be argued that such a deal has been disadvantageous for the Visegrad Group and that the V4 should start rediscovering the Balkans as soon as possible. In addition, the cooperation with regional initiatives in Eastern Europe seems to be a more distant challenge.

This section will focus more on the Western Balkans because of several limitations that influence possible transfer of the Visegrad model to Eastern Europe, and especially to the GUAM. These limitations are more numerous and more serious than in the case of the Western Balkans. They can be summarised in the following points:

1. *Borders. The four GUAM countries do not share common borders with each other. Neither Azerbaijan nor Georgia have common borders with Ukraine and Moldova. Moreover, Ukraine and Moldova are physically separated by the so-called Trans-nistrian Republic. There are no doubts that the absence of common borders has a significant negative impact on cross-border cooperation, people to people contacts, and intra-regional cooperation – these all are fields where the V4 countries might serve as a good example.*
2. *Unclear European perspective. The GUAM countries are considered to be partners of the EU, but were not given a clear European perspective. In the case of NATO the situation is*

even more complicated. The potential for know-how transfer from the V4 in this field is, therefore, very limited.

3. *The "Russian factor". All four GUAM countries fall into the category of former Soviet republics, and Russia still considers them to be in its sphere of influence. The relations between Georgia and Russia and Ukraine and Russia are very sensitive and full of tensions. In addition, Russian troops are directly present on the territory of Georgia and Trans-nistria, while Russia has kept its maritime base in Sevastopol in Crimea.*
4. *Economy. The economic situation in particular GUAM countries differs not only in terms of GDP, but also in economic orientation. While Moldova and Georgia can be considered to be agricultural countries, Ukraine is more industry oriented. Azerbaijan, because of its oil resources is a specific case and differs from other three remaining GUAM countries. This heterogeneity could be another obstacle to successful transfer of Visegrad practices, since the V4 countries were much more homogeneous in this field.*
5. *Insufficient political will. Not all four countries are equally interested in developing regional cooperation under the GUAM umbrella. While Georgia and Ukraine might serve as examples of active players, Azerbaijan and Moldova lag behind. In addition, the development of GUAM depends to a large extent on the political situation in particular countries and the composition of their political elites. In other words, instability in particular countries is reflected very intensively on the GUAM level.*

The above mentioned limitations should be taken into account while thinking about the possibilities of transferring the Visegrad experience and best practices to the GUAM countries. It turns out that the conditions for such an activity are more favorable in the Western Balkans, especially in the case of the Regional Cooperation Council. This does not, however, mean that the GUAM countries are supposed to give up cooperation with the V4 and vice versa. There are a number of areas, where the V4´s experience might be useful – one of them is the development of a free trade area. Instead of looking for new instruments for institutionalizing the cooperation between the two regional initiatives, it might be useful to evaluate the possibilities of already existing instruments. Among them, especially the V4+ instrument seems to be applicable to this type of cooperation, since it can be easily used in a number of areas and fields of cooperation. In addition, efficient use of this instrument will enable the GUAM countries to "open the window" to the EU – through the Visegrad Four.

As was mentioned above, the developing regional cooperation in the Western Balkans represents for the Visegrad Four a more concrete challenge in terms of know-how transfer. Basically, there has always been a consensus among the V4 countries that the EU's door should remain open and that the Western Balkan countries are the most advanced candidates for EU membership. Support for the open door policy is the basic precondition for developing the Western Balkan agenda in the Visegrad framework. The recognition of the Western Balkan countries as the most probable candidates for accession does not contradict potential EU membership for countries from the Eastern neighborhood, such as Ukraine or Moldova.

Another favorable circumstance is that three out of four Visegrad countries – the Czech Republic, Hungary, and Slovakia – consider the Western Balkans to be one of the key priorities of their foreign policies. It is, however, true that the economic presence of these three countries – not including Poland – on the Western Balkan market is far from being satisfactory. In other words, the developing markets of the Western Balkan countries and the ongoing processes of privatization offer a huge opportunity for the V4 countries to employ more economic diplomacy in the region. Regardless of natural competition among the V4 countries in the field of trade and investment, a certain coordination of their economic strategies in the Western Balkan region may be advantageous for all of them. It seems, however, that the Polish government and diplomacy has not realized yet that the intensification of Polish foreign policy towards the Western Balkans is not in contradiction with its eastern policy and will not disqualify Poland from the role of a pivotal player in terms of the eastern neighborhood.

The focus of the EU on the Western Balkans should not be forgotten. The Western Balkans represents one of the key priorities of EU foreign policy and the region is targeted for the EU's enlargement policy. The V4 countries, being EU members, should not simply passively follow the EU mainstream, but should contribute their own initiatives and ideas to shape actively EU policies towards the region.

In light of the above, the V4 countries should exploit more their comparative advantages in the process of developing EU policies towards the Western Balkans. The unique experience from the processes of transition to democracy and free market economy building, as well as from the negotiation process, can be of added value for the Western Balkan countries as they face similar challenges of transformation. The instruments of twinning and experience sharing could be exploited more effectively if the V4 countries further coordinate their activities in this field. The

division of roles in the Regional Partnership initiative can be a valuable inspiration for developing adequate frameworks for functioning under the Visegrad umbrella.

In the past years the focus of the V4 members encompassed individual countries in the Western Balkans and not the entire region as such. Apart from the experiences of individual countries, Visegrad as a model of regional initiative is unique, as such, and its experiences can also be used in the Western Balkans. There has already been a successful 'export' of know-how from one region to the other. The V4 countries were the founding members of the Central European Free Trade Agreement (CEFTA), which is now being established in the Western Balkans under the same name. There are no doubts that the importance of the creation of regional free trade has enabled the V4 countries to cope better with the challenges posed by the single market of the EU. The Western Balkan countries do not hide that their goal is the same – to prepare their economies to join the European single market.

There are other areas where the V4 can serve as a model for the development of similar regional initiatives in the Western Balkans. The coordination of political positions and attitudes, as well as effective sharing of experience and know-how are just some among the many areas in which the V4 can be an example. In this regard, Visegrad finds itself with a very positive momentum. The Western Balkans are now experiencing the first year of existence of a new regional initiative – the Regional Cooperation Council (RCC) – which is an indigenous initiative encompassing all of the countries in the region. The recently established Regional Cooperation Council is not just a successor of the Stability Pact for South-Eastern Europe, but has ambitions to become the most effective and viable regional initiative in the Western Balkans. Moreover, there are clear signs from the side of RCC that the experience of the Visegrad Group is considered to be very interesting and that the direct involvement of the V4 would be appreciated.[194]

The V4 should not miss the chance to be present – as significantly as possible – in the process of developing the agenda for the new regional initiative in the Western Balkans. Apart from political support, the establishment of a joint consultative body created from the representatives of the

[194] *See "Strategic Outlook at the Priority Areas of Cooperation in South Eastern Europe", Regional Cooperation Council (Pomorie, 2008); http://www.rcc.int/index.php?action=doc_detail&id=43; "Strategic Work Programme of the Regional Cooperation Council, 2008-2009", Regional Cooperation Council (Pomorie, 2008); http://www.rcc.int/index.php?action=doc_detail&id=39. In the interview with the author the RCC Deputy Secretary General Jelica Minić mentioned V4 as one of the most perspective partners for cooperation with the RCC. In her words, the RCC will welcome any suggestions concerning concrete areas of cooperation from the V4.*

RCC and V4 (or International Visegrad Fund) can be mentioned as one of the possible ways leading to the development of cooperation between the two initiatives.

The deeper involvement of the V4 in cooperation with the RCC will be profitable for both – Visegrad will have an opportunity to definitely overcome the "post-enlargement fatigue" of its members and its shortage of ideas. In addition, the experience in the field of cooperation with the Western Balkan countries and their respective regional initiatives might be, to a large extent, applied in the Eastern neighborhood as well. Last but not least, it should be stressed that by no means would orientation towards the RCC weaken the capacity of the V4 to cooperate closely with other regional initiatives either within EU borders or beyond.

For the Western Balkans regional cooperation is important, too. All the Western Balkan countries were promised full EU membership after they fulfill all required criteria[195]*, and regional cooperation is considered to be a part of the pre-accession process. The importance of regional cooperation is underlined not only in political declarations, but in the Stabilization and Association Agreements as such.*

Though the list of similarities between the V4 and Western Balkans would be perhaps longer than that encompassing differences, the latter list does, however show that there are limits for the Visegrad know-how transfer. The short list of the most important differences would then encompass the following points:

- ***Ethnic heterogeneity**. The countries of the Western Balkans are ethnically far more heterogeneous than their counterparts in Central Europe. In the latter, perhaps only Slovakia would be the exception. In the Western Balkans the country with the highest level of ethnic homogeneity is Albania, however, one has to mention numerous Albanian communities living in Macedonia or Kosovo.*
- ***Refugees**. One of the bitter results of the war is the existence of numerous groups of refugees of different ethnic origin, who are still living on foreign territories under very provisional conditions. Though the international community places the question of their return to their homeland among the very top priorities, the actual process of their return remains quite slow.*

[195] *See, for example, Report from the Commission, The Stabilisation and Association Process for South East Europe, Third Annual Report (Brussels: 2003).*

- ***Sovereignty of the state versus the right for self-determination.*** *Bilateral relations between particular countries in the region are underpinned by uncertainty concerning the final status of particular provinces (Kosovo) or unclear perspectives for current international "protectorates" (Bosnia and Herzegovina). In both cases territorial integrity and sovereignty of the state and the right of particular ethnic groups are in contradiction.*
- ***Economic development****. Even though one of the top priorities of the Socialist Federative Republic of Yugoslavia's leadership was to diminish differences in the economic development of the former Yugoslav republics, huge discrepancies in the state of economy was obvious. Unlike in the V4 region, the differences in economic development of the Western Balkans countries are still very high. While the GDP of Croatia is comparable to the GDP of the V4 states, Albania is one of the poorest countries in Europe. The economies of Serbia and Bosnia and Herzegovina also face serious problems, including low productivity, high unemployment, and a lack of foreign direct investments.*
- ***Different levels of approaching the EU and NATO****. While in the case of the Visegrad countries it was Slovakia who lagged behind her neighbors in the integration processes, the situation in the Western Balkans is far more complicated. Only Croatia has started negotiations on EU accession. Though Macedonia might be starting accession negotiations soon, Albania and Montenegro applied for EU membership only in 2009. The situation is even more complicated in the case of Bosnia and Herzegovina and Serbia. While Bosnia is facing serious domestic problems that prevent the government from sending in the application for membership to Brussels, Serbia is waiting until the Stabilization and Association Agreement (SAA) to come into force.*
- ***Bosnia and Herzegovina and especially Serbia*** *are latecomers in terms of approaching NATO as well. Though on the one hand, Albania and Croatia joined NATO in 2009 and Macedonia is considered to be the most prepared candidate for another round of enlargement, BaH, together with Montenegro, only applied for the Membership Action Plan (MAP). While Montenegro was invited to join the MAP in December 2009 and became an official candidate for membership in NATO, BaH has not yet succeeded in its efforts. The case of Serbia is even more complicated - though the country participates in the Partnership for Peace (PfP), the current government does not consider NATO membership to be a priority.*

The above mentioned differences are also the most influential factors underpinning the viability and efficiency of any model of regional cooperation in the Western Balkans. What also makes regional cooperation in the Western Balkans problematic is the high number of regional initiatives with similar priorities and goals and the fragmentation of financial sources provided by donors. Apart from the Stability pact for South-eastern Europe, which was initiated by the European Union and the Southeast European Cooperative Initiative (SECI), created by the USA, especially the Southeastern European Co-operation Process (SECP), Central European Free Trade Agreement (CEFTA), Black Sea Economic Cooperation (BSEC), and the Central European Initiative (CEI) play the most important roles.

After considering the differences between the V4 and the Western Balkans regions it is not possible to speak about the total export of the Visegrad model of regional cooperation to the Western Balkans. However, it is possible to choose some fields of the Visegrad cooperation that are applicable in the Balkans. Basically, these fields might be divided in three different, though closely interlinked categories: common values and regional identity, institutional background, and concrete suggestions for cooperation.

Common Values and Regional Identity. Sharing common values and interests is an important predisposition for effective regional cooperation. Otherwise, particular countries would incline to dominate the region with their own system of values and interests and subordinate the others. In this field the V4 may serve as a solid example. Moreover, the process of the building of regional cooperation goes hand in hand with the spreading of a regional identity. The goal is to establish a well-recognized regional "trademark", with a positive connotation abroad. In the beginning of the 1990s, the Western Balkans was usually mentioned as the symbol of violence and instability. To change negative stereotypes, the involved countries may organize joint projects, including cultural and educational activities, or PR meetings with journalists and foreign decision makers.

Solidarity is the leading principle both in the EU and the V4. In the case of the Western Balkans countries the application of the principle of solidarity would mean that the most advanced countries in the integration processes should be prepared to share information and experience with the less advanced ones. This, however, does not necessarily mean that the former should wait for the latter.

Institutional background. Different regional initiatives are characterized by different levels of institutionalization. Though the Visegrad Group can be characterized by its weak institutionalization, the establishment of the only existing institution in the V4 framework – the International Visegrad Fund - presented an important milestone in the development of the cooperation. An analogous institution, either a fund or a foundation that would support activities connected with regional cooperation, should be created in the Western Balkans as well. Considering the quite poor economic situation of the countries involved in the cooperation, it would be unrealistic to expect that the member states alone would be able to contribute to the common budget. Therefore, the assistance of international community, especially that of the European Union, will be needed, at least for the first couple of years.

Another very useful step in the process of enhancing regional cooperation is to transform the region to a free trade area. In the case of the V4 countries, the creation of free trade area enabled them to adapt their economies to the single market of the EU. In this regard, the Central European Free Trade Area (CEFTA), created originally by the V4 countries, played a crucial role. The Western Balkan countries also realized that the removal of trade barriers and other protectionist instruments is in their common interest. Since 2007 CEFTA has encompassed all of the Western Balkans countries and Moldova. In fact, the case of CEFTA's move southwards demonstrates in practice the transfer of know-how from the V4 region to the Western Balkans.

Possible Fields for Cooperation. The Western Balkan countries may find an inspiration in the V4 also in terms of very concrete fields of cooperation. Areas like cross-border cooperation, development of infrastructure, educational and cultural activities, cooperation with other regional initiatives or the development of civil society and public diplomacy are especially to be mentioned as relevant suggestions for cooperation.

The success of application of concrete aspects of regional cooperation from one region to another depends on the will of the political elites to cooperate, as well as on the structural conditions in particular countries. Enhanced cooperation is possible without any serious obstacles or delays in fields like culture, education, or infrastructure. However, in some other fields the situation differs from country to country and, therefore, certain problems may appear that would hinder cooperation. Analyzing conditions enabling successful application of particular aspects of cooperation from one region to another is a good task for further analysis.

It can be concluded that the Visegrad Four might serve as the source of inspiration for establishing a viable model of regional cooperation in the Western Balkans. The Western Balkans countries can also learn lessons from the Visegrad group's mistakes - especially from the period when the V4 reflected intensively internal political developments in particular countries into bilateral relations. On the EU level, the Visegrad countries and the Visegrad Four as such plan to continue their advocacy of the Western Balkans countries integration ambitions, as well as contribute actively in the EU´s policies towards the region. One of example is the ongoing process of visa liberalisation, which would allow the citizens of the Western Balkan countries visa-free travel to the Schengen area.[196] This approach, however, requires better coordination of strategies inside the V4.

In light of the above, know-how transfer to the Western Balkans region should continue to be one of the top priorities not only for Hungary's 2009/2010 Visegrad Group presidency, but for the forthcoming presidencies as well. This assumption, however, goes along with the requirement to maintain continuity in foreign policy priorities. Only responsible and predictable foreign policy will make a partnership of the Visegrad Group with their counterparts in the Western Balkans possible and efficient. Finally, it can be argued that the possibilities of the Visegrad Cooperation for greater engagement in the Western Balkans have not been fulfilled yet, and that the Western Balkans are also going to present a big challenge for the V4 in the future.

8.8 Recommendations

In 2011 the Visegrad group will celebrate its twentieth anniversary. It has turned out to be a viable and effective regional initiative, but also an instrument for expressing and implementing the joint interests of the V4 countries. Moreover, it also has become evident that the V4 could serve an example for regional initiatives in the Western Balkans and, to a certain degree, also in the Eastern neighborhood.

In the future the development of the Visegrad cooperation principles and values will continue to play an important role. Among others, especially the principles of solidarity, continuit,y and flexibility will be of crucial importance. Solidarity is important from the point of view of the

[196] *So far only three of the Western Balkan countries were invited to enter the Schengen "White List" – Macedonia, Montenegro and Serbia. Albania and Bosnia and Herzegovina still have to fulfill requirements connected with the implementation of the so-called roadmap, while Kosovo has not been included in the visa liberalisation process at all.*

cohesion of V4 countries in terms of strategic interests and decisions. These should prevail over selfish national interests and ambitions of particular countries. Continuity refers to the maintenance of already existing rules and effective instruments of cooperation. Finally, flexibility is connected with the weak level of institutionalization and allows the V4 to react promptly to appearing challenges and introduce innovative measures in the cooperation.

The accession of the V4 countries to the EU has created new opportunities for further development of the Visegrad cooperation. The accession as such, however, does not assure automatically the continuity of cooperation in the future. In order to make the cooperation vital and useful for all of the countries of the Visegrad group, but also for the EU, the V4 countries should focus on the following priority areas:

- *improvement of cooperation with other regional groupings in the EU, especially with regional initiatives in the Western Balkans and Eastern Europe;*
- *develop and maintain new priorities, among which the cooperation with Eastern neighbors and Western Balkans will play a crucial role;*
- *exploit more intensively the V4 plus instrument, especially when intensifying cooperation with countries from the Western Balkans and the Eastern neighborhood;*
- *stress the importance of energy security, interconnect regional networks for transport of hydrocarbons, and increase energy efficiency and use of alternative energy resources;*
- *strengthen the coordination mechanism on the V4 level;*
- *intensify the cooperation within the framework of the Eastern Partnership;*
- *coordinate activities on the OSCE level, especially when discussing the proposal of Russia to create a "New European Security Pact";*
- *coordinate development assistance on the V4 level;*
- *Intensify regional and local cooperation within the V4, increase steadily financial support for the International Visegrad Fund, and develop cooperation on concrete and innovative projects.*

In addition, the following recommendations to the governments of the V4 countries can be put forward:

- *detach the Visegrad agenda from internal political development in particular countries;*
- *eliminate problems and tensions in bilateral relations;*

- *avoid making bilateral or multilateral coalitions with other states that would disadvantage other partners in the V4 or the Visegrad Group as a whole;*
- *maintain the weak institutionalization of the V4 due to a higher flexibility of this model;*
- *strengthen coordination on the V4 level among the coordinators, ambassadors or ministries;*
- *introduce new instruments that would enable making cooperation in the framework of the V4 more efficient.*

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10 About the International Centre for Democratic Transition

The ICDT is a non-profit organization based in Budapest, Hungary which collects the experiences of recent democratic transitions and shares them with those who are determined to follow that same path. Instead of promoting democracy in general, the ICDT sets more concrete and pragmatic goals. The Centre strives to show how dozens of young democracies have made, and are making, the transition, so that those who set off on this difficult journey from dictatorship to democracy in the future may learn from the successes as well as from the failures.

Operational Method

The ICDT:

- *Facilitates the process of democratic transition by using the knowledge pool of transitional experiences and by sharing experiences and best practices;*
- *Convenes the most important indigenous stakeholders to play key roles in the transition process;*
- *Provides an adaptable toolbox and appropriate models for the creation and consolidation of democratic institutions;*
- *Mediates between cultures and regions by generating dialogue.*

Program Areas

- *Interregional Cooperation - Promoting interregional cooperation between governments and civil societies of neighboring countries to enable democratic transition*
- *Toolbox for Democracy - Providing assistance and learning opportunities to new and fragile democracies, concentrating on particular and practical elements of democracy such as elections and freedom of speech*
- *Sustainable Democracy - Strengthening the involvement of marginalized groups such as minorities, women and other unprotected social groups in both the transition process and the functioning of democracy*
- *Research & Analysis - Understanding and explaining the complex process of democratic transitions in order to forecast future trends and give recommendations for projects in the Centre's three program areas.*