

Think  
Visegrad  
V4 Think-Tank Platform

# POLICY BRIEF

2018/December

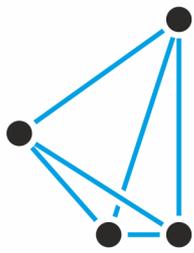
Think Visegrad in Brussels

## What is next for Central and Eastern Europe?

*Helping to shape the future of Europe*

*Vladislava Gubalova*





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## Summary

While all minds are on what Europe will look like after 2019, the potential role of Central and Eastern Europe in the future of the EU should also be carefully considered. There are signs of discontent among the citizens and worrisome trends across governmental decisions, feeding a perception of new “old” divisions along East-West and North-South divides. However, the CEE region can contribute to a vision for Europe that is mutually beneficial for all by proposing ambitious European initiatives, taking political courage to embrace responsibilities and prioritizing convergence—in economic, value-based and political terms.

## Introduction

There is an intense sense of fragility for the European Union (EU) project. In less than four months, the U.K. is scheduled to leave the Union — a first in the history of the EU – and in six months there are the next European Parliament elections. Next year will be one of potentially major changes both in Brussels and national capitals, and in the midst of negotiations for the new Multiannual Financial Framework, there is an urgency to ensure that Europe stays the best option for Member States and their citizens. Yet what is the role of Central and Eastern Europe (CEE) in the process?

## Changing perceptions?

When CEE countries were joining the EU, there was an overwhelming agreement that the project is the only right step for the region (Figure 1). After a hard transition period in the 1990s, with an overhaul of the old political and economic systems and building of new institutions and economic models, the citizens of the CEE region saw the membership in the EU as a natural trajectory in their new history. Today, there is an increased doubt that the Union is stable and beneficial enough among some of them and their governments.

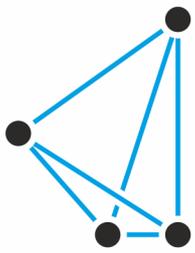
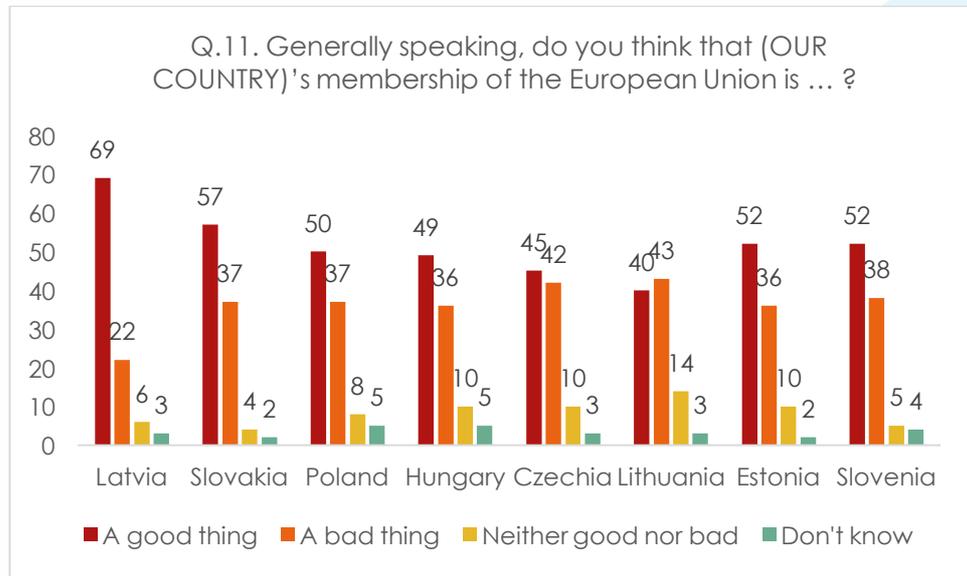


Figure 1: Citizens perceptions of their country's membership in the EU for 2004, in percent



Source: Standard Eurobarometer 62

One striking example is the Schengen system. The freedom of movement has been and still is perceived among CEE citizens as one of the main benefits of being part of the EU (Figure 2). It brought a big difference from the years before 1989, with lack of access to Western countries, and from the transitional years of 1990s, with endless queues in front of embassies and at borders to get a chance to travel to the West. However, it is easy to see how quickly the Schengen system can fall victim to politicization and securitization. Such developments are seen on the Slovak-Austrian border these days. Border and police checks are enacted as a mechanism to stop illegal migration flows into Austria. However, with only [154 requests for asylum in Slovakia for 2018](#) (Ministry of Interior of the Slovak Republic 2018), there is no data to support the current measure.

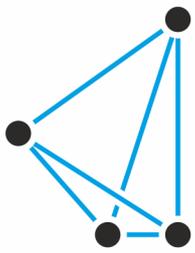
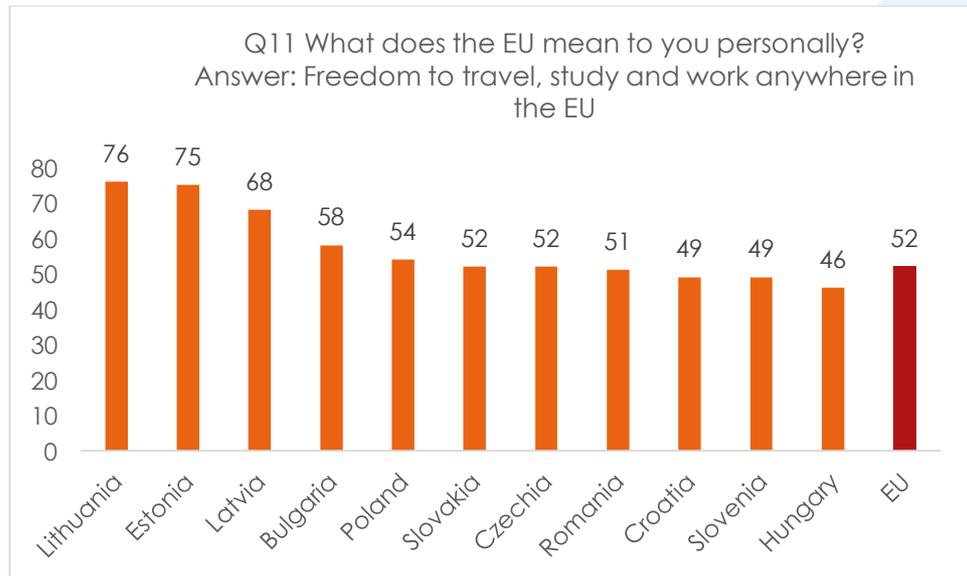


Figure 1: Citizens perceptions of their country's membership in the EU for 2004, in percent



Source: Standard Eurobarometer 89

## Dividing lines

Today, we can observe a number of dividing lines. Some are identified in geographical terms (east-west, north-south) and others in issue areas (migration, taxation, budget and others). With so many divisions, is it possible to have a coherent Europe?

For the CEE countries, the question is not simple. The region is experiencing solid economic growth with averages above the EU's (Figure 3). At the same time, the countries are hit with a demographic crisis. While in the West lower birth rates have been a worrisome trend for some time, this trend in CEE is heightened by the continuous emigration of the population, especially those that are at prime working capacity. Although the above numbers show the overall economic development, studies reveal in the CEE countries, the bottom 70% have not significantly converged to better socio-economic conditions (European Bank for Reconstruction and Development 2017).

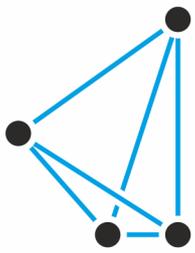
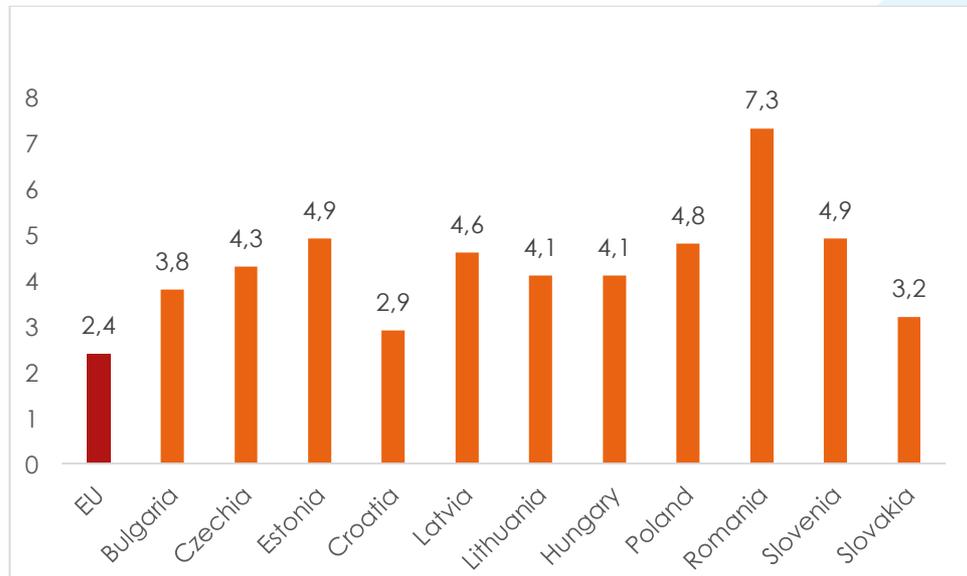


Figure 3: GDP growth in 2017, in percent

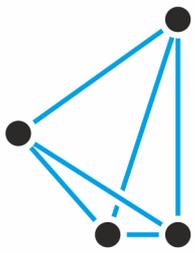


Source: Eurostat 2018

A new challenge for the CEE region lies in the UK's decision to leave the EU. The UK has been a good ally within the framework of the Union and it has contributed to solid trade relations with most CEE countries. For example, [Slovakia's exports to the UK account for about 6% of the total exports](#) of the country, placing the UK as their 5<sup>th</sup> most important trade partner (Slovak Statistical Office 2017). Inevitably, with Brexit, political and economic loss will be felt across the CEE.

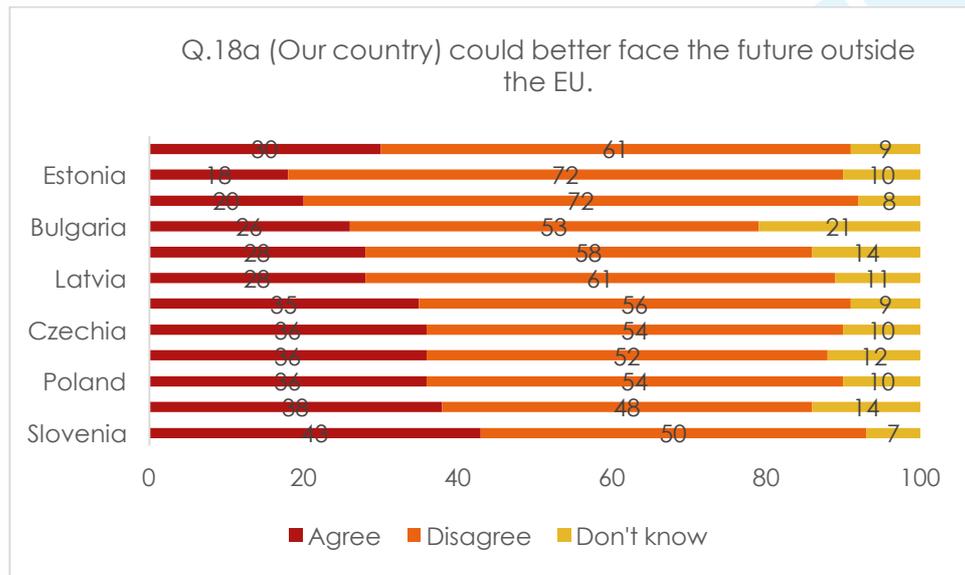
The CEE region is also not immune to the rising of populist and even national isolationist movements, able to capture an audience that feels neglected by their own governments and by the EU. Often helped by well-used disinformation campaigns, like the anti-Soros billboard campaign in Hungary or the spread of disinformation, picked up by policymakers in Slovakia, Czechia, Austria and others, related to the UN Global Compact for Safe, Orderly and Regular Migration, these forces are able to drive a wedge in the societies and consequentially within the EU decision-making processes.

Numbers show that the citizens of the CEE countries perceive themselves as pro-European, convinced that their countries are better as part of the EU (Figure 4). Where the disappointment is found is in the sense of being unequal or even inferior to the rest of Europe. While the single market is the strongest case for the EU, some protectionist policies, such as the posted workers directive, undermine the fairness and competitiveness of the internal market, with negative consequences for the still-catching up CEE region. While there is an importance of carrying high standards across Europe to protect consumers, [the found discrepancies in ingredients of produced](#)



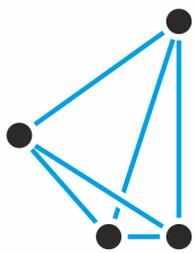
[goods between the East and the West of Europe](#) (Euractiv 2018), opened barely healed wounds of divisions.

Figure 4: Citizens perceptions on their country's EU membership future in 2018, in percent



Source: Standard Eurobarometer 89

Perceptions of inequality between CEE and the West are further triggered by the certain subjectivity in rules setting at the EU level. The current politicization of rules implementation at the EU level offers an easy push for countries in the region to be skeptical of the institutions' objectivity. While rules can become outdated and needed to change so that they fit with present and future reality, this process should be transparent and equal for all. Two examples illustrate the point well; Bulgaria has been technically ready to join the Schengen area since 2012. Nevertheless, for more than 5 years, some Member States have blocked the entry on the grounds of additional conditions and concerns. Although, often these worries have not been without some basis, they are disconnected to the rules of Schengen entry. In a similar development, the attempt of Bulgaria to officially submit its application to Exchange Rate Mechanism II (ERM II), as part of a bid for the euro area, was met with additional conditions – not part of the current rules – to be completed by the country. It is not fully transparent why these extra conditions were chosen, leading to perceptions of a reigning political subjectivity.



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## Recommendations

On the backdrop of these current developments in the CEE region and the crossroad of the EU itself, there are still steps that can alleviate the divergences, provide a more active role for CEE and possibly allow for Europeans to move forward in a more coherent manner. For it to succeed, much more political courage, active participation and value-adherence is necessary from all concerned.

1. CEE region should play an active and constructive role in European affairs. This will entail proposing ambitious initiatives for the whole EU and not to seek solutions only for the sub-region, be it V4, the Baltics or Eastern Europe. The proposed approach differs from the current more reactive mechanism of proposal criticism and will provide in a long-term more benefits to the region—increased credibility and development opportunities. Currently, as already identified in some V4 countries such as Hungary, Poland and even Czechia, domestic political capital is being carried on the back of a populist Eurosceptic agenda, which is inexorably leading to further isolating these Member States and a solidification of the perception across Europe that the CEE is a problem-seeker and not a solution-seeker.
2. Political leaders and domestic politicians should stop blaming Brussels to gain own political benefits. Instead, with more political courage, they will need to take responsibilities for positive and negative developments in their own countries.
3. The CEE region needs to prioritize convergence, but more so, it should strive to be the best in different areas such as economic development and growth, especially within the current negotiations for the next EU budget. Convergence is necessary on political, social and value-based grounds. While most countries have created institutions to the technical standards of the EU membership, the stability, transparency, integrity and effectiveness of these institutions cannot be sacrificed.
4. Member States should consider differentiated integration as a motivational tool and not as an exclusion mechanism. Divergences should be fought where it will be useful for all citizens, e.g. Energy union, Security union, digital transformation, curbing fraud and corruption and others. Where there is no possibility of coherence, the option of some Member States to take initiative, without excluding others to join when they are ready, can be a mechanism for moving forward the whole EU.
5. Stop the CEE schizophrenia towards the EU, where the citizens in opinion polls affirm their support for the EU and call themselves pro-European, yet in deeds, they and their governments often resemble Eurosceptics. A possible cure could be educating from young age about the EU and what it means to be a European, including the benefits, responsibilities and values that come with this choice.
6. European institutions should work for all Europeans. Political subjectivity tarnishes their reputation and more so clouds the decision-making processes.



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