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Subregional Co-operation in East-Central Europe: the Visegrád Group and the Central European Free Trade Agreement

Der Beitrag analysiert die Entwicklung, den gegenwärtigen Stand und die Zukunft der Visegrád-Gruppe, eines der erfolgreichsten Foren für subregionale Kooperation in Ostmitteleuropa. Das Fehlen formalisierter institutioneller Strukturen hat ein flexibles, für Änderungen offenes Arrangement hervorgebracht. Gleichzeitig war es damit anfällig für Störungen, die mit einer stärker institutionalisierten Struktur vermieden werden hätten können. Während das vorrangige Ziel in den 1990er Jahren darin bestanden hatte, das Erbe der Vergangenheit zu beseitigen, einen Beitrag zur Auflösung des Warschauer Paktes und zum Rückzug der sowjetischen Truppen aus der Region zu leisten sowie die "Rückkehr" der Länder nach Europa zu koordinieren, stehen heute die Integration in die EU, Hilfe bei der demokratischen Konsolidierung der Post-Meciar-Slowakei und pragmatische Zusammenarbeit in verschiedenen Bereichen im Vordergrund. Offen bleibt, ob die Gruppe nach einem EU-Beitritt noch Zukunft hat. Der Autor ist der Ansicht, dass sich das Zentraleuropäische Freihandelsabkommen nach der EU-Erweiterung erübrigen wird, während die Visegrád-Gruppe auch danach noch Restaufgaben zu erfüllen haben wird.

1. Introduction

Throughout the 20th century the role of multilateral co-operation increased and resulted in an extensive institutionalisation of international affairs. This effect was both global as well as regional in Europe, particularly in the second half of the century. Integration has been regarded a panacea and the liberal institutional approach has been increasingly dominant in the theory of international relations.

East-Central Europe only partially adhered to the main trend, bilateral co-operation prevailed, with the exception of the period between the late 1940s/mid-1950s and the end of the 1980s when the Soviet Union, a non-East-Central European country, imposed some co-operation frameworks upon the countries of the region, notably the Warsaw Treaty Organisation and the Council for Mutual Economic Assistance (CMEA or COMECON).

There were three examples of multilateral co-operation that can be mentioned as having had some relevance in East-Central Europe: One of them is the so-called Little Entente established in 1920–21 between Czechoslovakia, Yugoslavia and Romania, those "countries which felt threatened by Hungary's barely concealed revisionist aspirations" (Hyde-Price 1996, 81). The Little Entente was sponsored by France, and strengthened in December 1932 by the creation of a permanent secretariat. The second example of multi-lateral cooperation was the co-operation between the communist elite of Central and Eastern Europe during the late 1940s and the late 1980s. The third example was the co-operation of opposition leaders, mainly civil rights activists in the region, primarily those of Polish Solidarity, Charta '77 and some Hungarian civil rights activists.

None of the three could have any major bearing upon the establishment of co-operation be-

tween Central European countries in the post-Cold War era. The experience of the Little Entente was not suitable given its anti-Hungarian drift. The Little Entente could not be re-established as it was difficult to conceive a co-operation framework, which was demonstrably against one of the new democracies of the region tolerated by the world at large. The irrelevance of the Little Entente was recognised even by those who, at least temporarily, wanted to portray Hungary's security situation as a country surrounded by hostile neighbours, the successors of the Little Entente powers (Szalay 1992, 1, 3).

The co-operation between the communist elite lost its relevance with the system change in Central Europe. Most of those who had established close contacts earlier were out of power. Despite the fact some of the former communists have returned to power later this happened under such different conditions that made the former cooperation in fact largely irrelevant.

The co-operation of the former opposition leaders had little to do with the situation following the end of the East-West conflict. The situation has changed fundamentally for the following reasons: firstly, it was a largely informal and sporadic cooperation between leaders earlier; secondly, national interests have become far more important than the past personal relationships and, thirdly, former opposition members involved did not come to power in every country of Central Europe following the revolutions of 1989. In Hungary, where the opposition movement was small, the first democratic government was not formed by members of the previous democratic opposition.

In summary, regional co-operation in Central Europe had no roots that could serve as point of reference. East-Central Europe seemed doomed to fall back to fragmentation and eventual national rivalries.

Most East-Central European leaders who came to power after the so-called velvet revolutions were inexperienced in their new profession, albeit many of them had clear political visions. No doubt, one of the most important international aspirations of the countries of the region was to attain membership in Western organisations. Interestingly, at first this was not evident with respect of NATO or the European Communities. Initial efforts were given to the Council of Europe, where the first membership application was put forward before the multiparty elections in Hungary (November 1989). This was followed by nebulous requests addressed to NATO and the EC, like the one issued at the Visegrád summit of three East-Central European countries, Czechoslovakia, Hungary and Poland. They referred to the "total integration into the European political, economic, security and legislative order" (Declaration 1991, 1). The request for NATO membership came only after the formal dissolution of the Warsaw Treaty Organisation in July 1991.

The politicians referred to above were of the view that it would be to their detriment to arrive at a situation that would give the impression of a fully non-integrated East, while at the same time seeking to integrate with the West. Different ideas to counteract the process were explored as it was important to establish some co-operation in East-Central Europe. However, sub-regional co-operation should not create an impression that it could be replacement for Western integration. President Havel spoke about the re-establishment of the relationship of the countries of the region with Europe. Polish foreign minister Skubiszewski called the attention to the dangers of disintegration in the region coupled with nationalism (see Skubiszewski 1991). Preliminarily, in a statement made in the Hungarian radio on 1 September 1990, Hungarian Prime Minister Antall proposed a co-operation framework resembling the Western European Union (WEU). It is clear from these early statements that there was genuine interest in co-operation inside the region. The struggle for regional co-operation was effectively reinforced by the support of the West. Thus, we can speak of two mutually reinforcing trends that pointed in the same direction. It may be interesting to note that those co-operation frameworks have proved their viability where both internal and external factors co-existed. It has to be emphasised, however that there are regional co-operation groups which have come into existence due to the expectations of the world at large, spe-

cifically of the West exclusively. One can mention the Southeast European Cooperative Initiative (SECI) in this respect. The two frameworks whose current importance and prospects are presented in this paper – the Visegrad Group, or as it is sometimes called nowadays, the V-4 and the Central European Free Trade Agreement (CEFTA) – are ones which were established upon the initiative of countries of the region proper and which have established themselves in international relations in a lasting manner.

2. Brief history

The co-operation framework, later identified as Visegrád group, was initiated by the Hungarian Prime Minister József Antall. In a radio interview in September 1990 he raised the idea of establishing a permanent co-operation among Czechoslovakia, Poland and his own country – states which, according to their own assessment, were ahead of others in the transformation process.

It is a fact that the West reinforced this image for some time through treating these countries differently than other East-Central European states. It was the shared view of the three that they were better prepared to integrate with the West, their democratic system was more established and their economic performance more convincing. Bearing in mind that the Baltic States had not yet regained their independence, the three could compare their achievements with those of Bulgaria and Romania and thus there was good reason to regard this assumption as founded in reality. At the inception of this process appeared self-differentiation, which was to become one of the decisive matters of East-Central European politics.

The idea of a permanent co-operation between Czechoslovakia, Poland and Hungary was not particularly well defined and had to evolve in practice. It was clear that there were two main directions of the future activity of the group, a negative and a positive one. One could summarise the *negative* one as getting rid of the remnants of the past, with a focus on formally terminating such arrangements as the Warsaw Treaty and, to some extent, also the COMECON and completing the withdrawal of Soviet troops. The *positive* one could be formulated as *increasing the international profile of the countries forming the group* with an emphasis on co-ordination of their Western integration. The former would be a more urgent, the latter a more lasting objective.

As far as the termination of the Warsaw Treaty is concerned, the three countries were united in their belief that this co-ordination should happen in a reasonably short period of time. After the conditions of German unification had been set and the German Democratic Republic had been absorbed by the Federal Republic of Germany, Poland started to share in the determination of the other two. This determination received a new boost in January 1991 when Soviet troops cracked down on forces advocating Lithuania's independence. A week later the meeting of the foreign ministers of the three countries urged "the earliest possible dissolution of the Warsaw Treaty Organisation" (Communiqué 1991, 2).

This statement reflected the radicalisation of the position of the three. Beyond the solemn establishment of the group this matter dominated the agenda of their Visegrád meeting. The Warsaw Treaty Organisation was dissolved, the Soviet troops were withdrawn from Czechoslovakia and Hungary, and the promise was made that they would be withdrawn from Poland as well. The *negative* agenda rooted in the past was fulfilled and thus *exhausted*.

The major question for the second half of 1991 and the first half of 1992 was whether there would be sufficient cohesion in the group to agree upon a *positive* programme and to put it into practice. The programme was founded primarily within the agenda mentioned above. This was complemented by a more pragmatic point on the agenda, namely the re-establishment of trade relations among them. It was obvious that these relations collapsed at the end of the East-West conflict, and that it was not in the interest of any party to establish trade barriers after the end of the COMECON. These objectives led to the declaration of the May 1992 Prague summit of the three and the establishment of the Cen-

tral European Free Trade Agreement (CEFTA) just before the end of that year.

In the second half of 1992, some problems appeared that had bearing upon the Visegrád co-operation as well. After the parliamentary elections in Czechoslovakia it soon became obvious that the federation would separate into its two constituting elements. Neither the Prime Minister of the Czech Republic, nor the Prime Minister of Slovakia were particularly supportive of Visegrád. Vaclav Klaus tacitly started out from the point of view that his country was more advanced than its Visegrád group partners and thus for the Czech Republic there was no need for sub-regional co-operation. Slovakia, due to its new statehood and nationalistic policy, was not an easy partner either. Furthermore, there was no stable government in Poland to facilitate co-operation either. Rather than entering into details on the matter, it is sufficient to state that it was a difficult half-decade that followed. Klaus was reluctant to speak about sub-regional co-operation and was ready to accept "trans-boundary co-operation" at best. The relationship of Vladimir Meciar's Slovakia remained tense with another member of the group, Hungary. One could conclude that the decline of the Visegrád group was due to the dissolution of Czechoslovakia and the views of leaders who came to power in the two successor states. However, I think that this would be a *superficial, short-hand conclusion.*

If one takes a closer look, it can be concluded that there were *deeper, underlying reasons* for the decline of the group. Namely, the clearly identified agenda related to winding up the Warsaw Treaty and withdrawing Soviet troops was exhausted. The forward looking programme, "the joint return to Europe" was less clear and fragile for several reasons. Firstly, following the divorce of Czechoslovakia, leaders in Prague interpreted the situation as if the integration chances of the country had increased after it had gotten rid of less developed Slovakia. Such self-differentiation has not been unprecedented in Czech history. Secondly, the Czech Republic felt that its geo-strategic situation had changed, and the country virtually moved closer to the West. Beyond geography, it has been the long-standing view of the Czech establishment that their country is different from other countries of the region. Since the second half of the 19th century, it could be argued that the Czech land was more industrially developed. Between the two World Wars, the point could be made that Czechoslovakia was more democratic than any other country east of the Elbe.

The third factor in the decline of the group was that the size of the Visegrád partners was more divergent than before. After the dissolution of Czechoslovakia, not all partners were adjacent to each other any more (the Czech Republic and Hungary shared no common border). The largest country of the group has had nearly 40 million inhabitants, the smallest a bit more than five million. Poland, due to its size did not have a "visibility problem" in the West, and thus it had no need for the help of the group any longer. Others also needed the group to assert their visibility less than immediately after the system change.

It was much more for these complex structural reasons rather than due to an individual "spoiler" that the Visegrád group faced decline and a number of difficult years. It was also demonstrated that co-operation frameworks pay a price for flexibility. They run the risk of being put on hold more easily than institutions, which may resist marginalisation better.

In summary, one may conclude that the Visegrád group went through three phases of development. The first two years (1991–2) represented the peak, symbolised by three summits, several other high level meetings, and the establishment of CEFTA. The years between 1993–98 represented the period of low activity of Visegrád for both objective and subjective reasons. Since 1998 one could note a new beginning of the group.

3. "You only Live Twice" or The New Life of the Visegrád Group after 1998

There were several underlying reasons for this new beginning of the group. The most important one is a certain disillusionment as far as "individual strategies" in approaching the West

are concerned. Countries of the region learned during the summer of 1997 that the Atlantic Alliance as well as the European Union would enlarge not with individual countries, but through the accession of groups of countries. States of the region have become more realistic and have largely given up individual integration attempts. Secondly, three of the four Visegrád countries were invited to negotiate their NATO membership and found themselves in the Alliance in March 1999. Thirdly, Slovakia was the only country of the Visegrád group that neighbours on all the other three and had a new, democratic government. It was in the common interest of the others, for different reasons, to help that country's integration aspirations. Lastly, he Czech economic "miracle" came to an end that certainly contributed to increasing the readiness of that country to co-operate regionally.

Subjective factors accompanied the Czech Republic's readiness to involve itself. It was not only the departure of Mr. Meciar that contributed to the consolidation of group cohesion but that of Mr. Klaus as well. Interestingly, analysts often stop short of addressing the role of the latter and focus on the former exclusively (Krzywicki 2000, 1). If one takes a closer look to the revival of the group, it is obvious that both persons played a role in that Visegrád got stalled. The renewal was already boosted after the departure of the Klaus cabinet by the Prime Ministers of the Czech Republic, Hungary and Poland in spring 1998 and revitalisation was completed following the Slovak elections of September 1998 that put an end to Prime Minister Meciar's third government.

The Visegrád group when revitalised took advantage of the lessons of the first phase of its development. There were thus not only lessons identified, but also *lessons learned.* One can list several lessons of lasting relevance. The Visegrád group upon its inception was conceived as an institutionally weak group. This conception had its disadvantages, primarily the potential that a single spoiler could undermine it. On the other hand, it has carried certain advantages stemming from the flexible adaptability of its agenda. Security and defence matters played a much smaller role on the agenda of Visegrád after 1998 than in 1991. There were two exceptions: the support of the three new East-Central European member states of the Atlantic Alliance for the NATO accession of Slovakia, a rather traditional international security matter, and the co-operation of the four countries on involving Bratislava in the Schengen regime,[1] a new, largely non-traditional security issue. This challenge caused no problem whatsoever.

It was similarly unproblematic that an important part of economic development of the region, free trade, was separated from the Visegrád group with the formation of CEFTA. The fact that such (sub-)regional co-operation frameworks can have a complementary role only is not necessarily a disadvantage either. It makes it possible to focus on topical matters of co-operation knowing that regionalism will continue to play a role in a broader, primarily EU, integration framework later.

The priority of EU and NATO integration is unquestionable and fully understandable. It is important not to attribute exclusive role to Western integration and to find the adequate role in regional frameworks. It was not necessarily a bad idea to retain the closed character of the group, as there were several other co-operation frameworks, which assembled many more countries of the region often together with Eastern (versus East-Central) or Western European countries (Central European Initiative-CEI, Central European Free Trade Agreement-CEFTA, Southeast European Cooperative Initiative-SECI, etc.).

It is necessary to be somewhat more specific and not confine the analysis to conclusions, which can be interpreted both as pros and cons. The *re-emergence* of the Visegrád group has primarily been due to *tactical* and not strategic reasons. The formation of the new Polish government in autumn 1997, which made the reactivation of the Visegrád group a part of the government programme, was a deciding factor. The Zeman government of the Czech Republic had more specific reasons to be supportive of Visegrád. Most importantly, if there was a perception that it had been the Klaus government

that effectively disbanded Visegrád a few years earlier then it was logical to reverse this by the cabinet formed by Klaus's former opposition. Also, the Czech Republic has had a high stake in the stability and prosperity of Slovakia. Lastly, Hungary was also highly interested in "the return of the Visegrád group" as it intended to find a framework to rebuilding relations with Slovakia after the departure of the Meciar government (Lukac 2000, 33). Furthermore, Orban's foreign policy team wanted to present the Prime Minister as a *per se* international actor in spite of the fact he was largely insensitive to foreign policy matters. The reactivation of the Visegrád group was a particularly suitable objective as it was an area where the previous Socialist-Liberal coalition of Hungary, due to circumstances beyond its control, was unable to achieve any progress.

It can be summarised that, beyond tactical interests, it was Slovakia that was in the centre of the group's revitalisation. It was the main objective to help Slovakia catch up with the other three members of the group and to support the consolidation of democracy in that country. Due to the outcome of the Slovak elections of autumn 2002 the integration of the country into NATO and the EU can continue. In case of NATO the three Visegrád neighbours may continue to share their experiences and lend support to Slovakia. In case of the EU the four countries will join it the same day and together with another six countries.

The fact that each of the four countries is in the same situation and has EU accession as a common goal may hold the group together more than the matters mentioned above. It has to be noted, however, that currently the emphasis of the four Visegrád states is on achieving favourable conditions for accession and to complete the process at the earliest possible time. As accession may be concluded soon this objective does not guarantee a particularly long time-span to the Visegrád co-operation.

Since November 2001 it has been noted that the EU is heading to a "big bang" enlargement, inviting ten countries, among them eight East-Central Europeans, to join. As the four countries have thus lost their privileged status it is an open question as to whether Visegrád is still the most appropriate framework within which to harmonise the negotiating position on the EU accession talks.[2] New members will also have common interests after accession, bearing in mind the extensive transitory measures the Union intends to introduce vis-à-vis all of them. This policy will make them equal members only several years after gaining membership. In this respect again, however, many more countries will share common interests rather than only the four Visegrád states. In the light of these facts it is an open question as to whether there will be sufficient common interest to keep Visegrád alive. Most probably there will be residual interests to keep up regionalism in the Visegrád group after EU accession, such as joint development of the infrastructure, e.g. addressing environmental problems, and pooling the resources to carry out such projects.

Beyond the "strategic fragility" that stems from the fact of the upcoming full Western integration of the Visegrád group, there are indications that the cohesion of the group is weaker than that of other international institutions. Two examples have demonstrated this recently. In February 2002, when the four Visegrád states confronted the first "official" offer of the EU concerning direct agricultural payments and the candidates' access to structural funds, they decided to react jointly to the offer of the Union. The statement should have been issued at the meeting of the four Prime Ministers. The Hungarian government, the presidency in office, made the statement available on its website prematurely. In reaction to this, the summit meeting was cancelled. This action, taken on the part of one member solely, shed light on the atmosphere and reflected little confidence between the parties. Hungary tried to portray the matter as a "technical" mistake whereas Poland, for instance, was of the view that the meeting had to be postponed due to the "lack of goodwill" of Hungary[3] (Varsó 2002).

It was far more important when the Hungarian Prime Minister Orban made a statement in front of a committee of the European Parliament where he rejected the so-called Beneš decrees. It was certainly a divisive issue of post-World

War II history as some of these decrees established the collective guilt of Germans and Hungarians in Czechoslovakia during the war and resulted in their mass expulsion. There were Germany, Austria and Hungary on one side and the two successor states of Czechoslovakia on the other. It was arguable that "collective guilt is an invention that has no place in the 21st century" (Prága 2002) as Orban tried to legitimise his statement. On the other hand, it was obviously a matter that could not be raised without damaging the unity of the Visegrád group, dividing it right in the middle, unavoidably alienating the Czech and the Slovak governments. It was on this basis that the foreign minister of Poland, Cimoszewicz, stated: "despite disputes and *manifestations of disloyalty* that we witness within the Visegrád group, it still remains an important direction of our policy in the Central European region." (Information 2002, 4; emphasis added).

The case can be contemplated on different levels. On the interstate level among the Visegrád states it was unfortunate as it created a dispute before the final phase of the EU accession talks of the four countries and before the invitation of Slovakia to negotiate her NATO membership. Close co-operation among them was particularly important during this period. The actions of Hungary shaped another division between two EU member states and two candidate countries, between Austria and Germany on the one hand and the Czech Republic and Slovakia on the other. This could have interfered with the enlargement process and delay it. Due to the group approach of the EU, this could hurt Hungarian interests as well. It was furthermore an unfortunate interference in the domestic politics of Germany in the beginning of the election campaign. It resulted in a situation wherein the German Chancellor had to cancel his Prague visit due to the ensuing debate how to address the issue of the Beneš decrees.

Beyond the institutional and the interstate aspects it is worth highlighting a third layer of the matter, party politics. There is no direct evidence of the importance of this layer. However, it is a fact that the CDU/CSU candidate for chancellor, Edmund Stoiber, had visited the party congress of FIDESZ in Budapest just a few days before Orban's statement was made. Bearing in mind the close ideologically based relationship of Stoiber and Orban, the personal dislike of Orban to social democrats as well as the poor personal chemistry between Schröder and Orban there is every reason to assume that the Hungarian premier was willing to do a service to his Bavarian counterpart and thus cause damage to the German Chancellor in office.[4]

As in case of most complex political matters it is impossible to present a black and white picture. One can share Orban's assessment and state "we have been standing always, everywhere, on every issue on the side of human dignity either when we are directly affected or when we aren't" (Prága 2002). It is also possible to conclude, as a Czech journal did, that "it was not the Hungarian Prime Minister who ruined the Visegrád four, rather the sick Czech and Slovak fear from the abolition of the Beneš decrees ... The Czech and Slovak governments, and not the Hungarian, have thus recognised that the Beneš decrees are more important for Prague and Bratislava than the Visegrád co-operation." (Zima 2002). It may be just as legitimate to conclude that the Hungarian Prime Minister with his undiplomatic and badly timed statement weakened the cohesion of the group unnecessarily. Due to the April 2002 elections in Hungary which the conservatives lost, the Visegrád co-operation could get beyond these problems.

At the first summit meeting held after the change of government in Hungary it was decided to continue all the positive processes among the four countries and not to deal with the grievances of the past. The Beneš decrees were not mentioned at all – as outgoing Czech Prime Minister Zeman put it after the meeting, for the reason "they have already been addressed too much anyway" (Sztankóczy 2002). One could "wallpaper" the problems by saying "differences in approach are absolutely legitimate, and differences in opinion do not imply that the Visegrád co-operation does not work" (Lukac 2001, 16). This statement is certainly correct. It is open to question, however, whether or not the brutal disloyalty of Prime Minister Orban to two of his Visegrád group partners has not

gone beyond the point that it could simply be identified as "difference of opinion". I think an attempt to undermine the strategic interests of partners vis-à-vis two EU member-states in the highly sensitive pre-accession period, as the reference to the Beneš decrees did, goes beyond it and should be regarded a major political mistake. Shortly before the end of the EU accession talks the parties have understandably agreed to hold meetings of the chief negotiators to those talks and the delegates to the European Convention (Medgyessy 2002).

For the time being, it seems that leaders of the Visegrád group intend to keep their co-operation alive on another basis. Namely, they have declared to focus on some issues of common interest. One could say they have all been specific so-called "low politics" matters. The meeting of the Prime Ministers held in Bratislava in May 1999 had a comprehensive agenda, ranging from co-operation in border and immigration affairs in the context of EU accession to the harmonisation of combating illegal migration, illicit drugs transport and distribution, weapon smuggling, organised crime and terrorism. An extensive list of items was identified in the fields of education, culture, science, technology, the protection of the environment, in the development of infrastructure and cross-border co-operation. Some of the activities have had as their objective to attract EU assistance, as in the development of the infrastructure and transboundary co-operation, others to intensify co-operation in the group. It represented further evolution in the group that a loose institutional framework specifying the frequency of high level meetings was established. A rotating, co-ordinating chairmanship was also introduced with a mandate for one year. The country chairing the group identifies the tasks or priorities of the group for the period of chairmanship. It seems that great importance will be attributed to EU "third pillar" issues, the exchange of experience and co-operation on the Schengen agreement by the group as well as to the development of transport, infrastructure and border crossings, though the emphasis may vary.

Whereas the issues mentioned earlier were the priorities of the Polish chairmanship, the latter ones were those of Hungary. The Hungarian Prime Minister called the attention to the fact that it had been a weakness of the group when the chairmanship had no clearly identified priority, this could prevent the deepening of co-operation. The four states have also established a so-called "Visegrád fund" in order to provide resources for exchange programmes and joint projects, e.g., of researchers of the participating countries. It was agreed in June 2002 that the contribution of each government would be increased to 600,000 Euro annually. This is absolutely necessary in the light of the comparatively low level of grass-root integration among the four and the little attention the non-profit sector of these countries has paid to each other.

It is a major positive step that the group was brought back to life with a significantly different agenda compared to its first active period. It has been apparent that the participating states are determined to make the group *a lasting complementary element* of their international relations. It is no doubt in their best interest for several reasons. Even though a "big bang" enlargement of the European Union may eliminate the once privileged status of these countries it will help to retain their regional identity. It is not a surprise that other, better established sub-regional groups, similarly to the early-1990s have been interested in co-operating with the Visegrád states and thus with future members of the European Union. It is a separate and somewhat unpredictable issue as to how extensive and lasting this "second life" of the group will be particularly in the light of the upcoming integration of the four states into the EU and that of Slovakia into NATO.

4. The Separation of Economic Issues: A Few Words on CEFTA

The idea of establishing some kind of economic co-operation among the countries of the Visegrád group has been present on the political agenda since the October 1991 Krakow summit of the three. The ministers responsible for international economic relations were well aware that there was a sharp decline of inter-

state trade among the former socialist countries, and not only between the Soviet Union and East-Central Europe. A further motivating factor to establish a free trade zone in the region was that the association agreements with the EC were practically ready for signature. Their implementation meant that gradually free trade (except for agricultural products) was achieved between the EC and the Visegrád states. 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. Free trade was aimed to be achieved in five to ten years. The conclusion of the CEFTA agreement was delayed by the separation of Czechoslovakia and the changes in the Polish government. It was signed ten days before the emergence of the independent statehood of the Czech Republic and Slovakia and was applicable to the four countries.

Contrary to the Visegrád group proper, CEFTA was ready to open its doors to other candidates for EU membership. That is how Slovenia, Romania and Bulgaria joined the co-operation framework between 1995 and 1998. EU accession of five CEFTA members is approaching rapidly whereas two further members (Bulgaria and Romania) will probably have to wait for a longer period of time before joining the Union. This will have a decisive impact for the future of this group. In accordance with the association agreements between the EU and the candidate countries free trade has already been established between the candidate countries and the Union in industrial goods. Hence it will not cause any problem that some CEFTA members will join the EU earlier than others. In agricultural products the same rule will not apply as the association agreements do not provide for free trade in that area. With the accession of five CEFTA countries to the EU the trade regulations of the Union will prevail and thus agricultural free trade between them on the one hand and Bulgaria and Romania on the other will come to an end. This means that CEFTA has become a time-limited arrangement, with its time being based on the speed of the Eastern enlargement of the EU. The upcoming winding up of CEFTA would retroactively legitimise the decision of the Visegrád states that kept their group and CEFTA separate. Thus, it carries the opportunity that the former can continue its political life span beyond the dissolution of the latter.

Interestingly enough, reports about CEFTA 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 and proved to be temporary. These conflicts may have helped the EU candidate countries' preparation for membership as agricultural matters are among the most controversial over there as well. The sometimes severe, temporary disturbances of multilateral trade relations in the region do not give ground to draw conclusions of lasting relevance.

There are two criteria on the basis of which conclusions can be drawn. One question is whether CEFTA had an advantageous effect on intra-regional trade. The other one is whether some additional, not necessarily economic, effects associated with such a sub-regional group have also materialised. The answer to the former question is a qualified yes: intra-regional trade increased faster than the overall foreign trade of these countries. One could notice a faster growing phase of trade with other CEFTA countries immediately after accession to the group and a somewhat slower growth at a later stage. In spite of this, CEFTA trade has not become of decisive importance for any country that belongs to the group. The Czech Republic and Slovakia are the exceptions in this respect, due to the importance of their bilateral trade, which is quite natural in case of two countries which used to form one federal entity. The expansion of foreign trade is noticeable as a tendency and will definitely continue when five of its members join the European Union.[5] For example in case of the foreign trade of Hungary, the share of trade with the CEFTA countries has increased steadily over the last years. In spite of this tendency it formed only 9 per cent of its total export and 7.9 per cent of its total import in 2001.[6]

This is a demonstration of the limits of intra-regional economic cooperation as well as of the tendency of an EU centred foreign trade in the EU accession countries.

Beyond the increase of mutual trade in the region, it may be of some significance that the countries of the group have increased their experience in the area of multilateral co-operation and bargaining. It has been extended to a sensitive field and the countries will take advantage of this knowledge when five members of the group will join the European Union most probably at the same time. At an early stage it was also important that the political dialogue of the parties to CEFTA also extended to this area.[7]

5. Conclusions

The Visegrád group and CEFTA have demonstrated persistence amidst fast changing political conditions in East-Central Europe. Even though their role had to remain limited and could never compete with the integration effort of these countries to become part of Western structures, they have contributed to preventing disintegration and to fostering regional integration among the participating states. Visegrad was important in its early stage to counter the image of a disintegrated East as well and thus carried the message that the countries of the region could cooperate with each other and thus may be mature for western integration in due course. The importance of the contribution of sub-regional frameworks should not be underestimated. It is impossible to assess retroactively how relations would have evolved without the establishment and functioning of such sub-regional frameworks. It is certain, however, that the countries of East-Central Europe would be less prepared for Western integration without them.

The analysis of the evolution of the Visegrád group and CEFTA, two sub-regional co-operation frameworks, demonstrates further that the success of such groups depends on the genuine interest of the participating states. External support and expectations of the West might help. Without the "drive" of the participants themselves it may contribute to provisional success only. This may be self-evident. It is not, however. Several other processes and co-operation frameworks have been launched by external players and could not establish themselves short of the support of local players. It is necessary to mention SECI, the Royaumont process or the "Regional Partnership" initiatives in this respect.

The relative success of the Visegrád group can be attributed to the cohesion of the four countries forming it. Whenever this cohesion weakened due to changing power relations or divergent political orientations of the members, the group reacted sensitively. It has shown high-level flexibility and adaptability, demonstrated by the fact that its "first life" between 1991 and 1992 and its "second life" since 1998 have been dominated by different agendas. The former represented a balance between getting rid of the past and finding the new alignment of the countries of the region. The second phase has been clearly dominated by helping Slovakia to catch up with the other three after the lost years of Prime Minister Meciar's reign, foster their EU integration and find a broad agenda of pragmatic co-operation. If we look ahead it is a more interesting question whether the Visegrád group will remain a major ingredient of regional policy following the EU accession of the four states. It is the question whether the Visegrád group will have a "third life" under changing conditions again after gaining EU membership. This would require a delineation of a positive political programme for the future.

The reluctance of the participating states to institutionalise their co-operation has contributed to the flexibility of the arrangements, although it has weakened the bureaucratic momentum necessary for their survival should a non-co-operative attitude develop in some member states.

NOTES

1 It was the prevailing view at the time that the Czech Republic, Hungary and Poland would join the European Union earlier than Slovakia. Due to geographical reasons it was the pre-eminent interest of the three

to include Slovakia in the Schengen regime together with its three neighbours. In that case the length of the border of Slovakia where control systems have to be established meeting the technical requirements of the Schengen system is approximately 90 km, otherwise it is more than 1400.

2 There are indications showing into different directions. On the one hand, the four countries continued to exchange views concerning their common interests in the process including taking common positions on critical matters. On the other hand, they have also held meetings to co-ordinate the position of all those candidate countries, which may be eligible for membership soon (Meeting 2002).

3 It is interesting to note that the title of the document that should have been issued by the Visegrád summit meeting is tellingly different. According to the Hungarian foreign ministry it is "Statement of the Prime Ministers of the Visegrád countries published by the Presidency in Office" (Statement 2002), whereas the Czech and Polish foreign ministries websites carry it as "Joint Declaration of the Prime Ministers of the V4 Group to the Financial Aspects of the EU Enlargement" (Joint Declaration 2002).

4 For those who are not intimately familiar with Hungarian politics it is necessary to mention that since the late 1980s party politics have never affected the interstate relations of the country to the extent they did during the office term of the Orban government.

5 The official website of CEFTA (www.cefta.org) carries statistical data about intra-regional trade updated only until the end of the second quarter of 1998 (!). Thus it is necessary to rely on national statistics.

6 See www.kum.hu/siwwwa/file/K_1_2m.htm.

7 There are only a few good analytical papers on the topic. Martin Dangerfield wrote several studies on CEFTA (see also Dangerfield 2000).

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