



## **The Impact of Prospective EU Entry on the Cultural, Social, Political and Economic Situation in Central Europe**

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In December 2002 it was agreed that ten countries would join the European Union: Cyprus, Malta and eight formerly communist countries of Central and Eastern Europe (the three Baltic States, Poland, Hungary, the Czech Republic, Slovenia and Slovakia). Their accession date has been set for 1 May 2004. All these countries had fulfilled entrance criteria named in 31 'chapters' and covering a very wide range of concerns; the European Commission had taken a very tough stance on all of these. Hungary is regarded as the best prepared of the accession countries, with a large slice of foreign investment. The Baltic States, where there has been a remarkable story of reform, are led by Estonia, which for some time has been the darling of international economic institutions. Poland, Hungary, Slovenia and Estonia have recently been experiencing 4 per cent annual economic growth as opposed to 2.5 per cent for the EU as a whole. Latvia, Lithuania and Slovakia started their accession process only in 2000, but have made good progress on catching up with those who started in 1998. Romania and Bulgaria are progressing, but much more slowly, and Romania has been experiencing economic stagnation for a number of years. The time line for the accession of these two countries is now around 2007.

Will all the new member states prove to have the political will and administrative equipment to implement all the provisions of the *Acquis communautaire* to which they have signed up? Some of them have already started to adapt their own legislation in accordance with EU requirements. There are some areas, for example food hygiene standards, where they all fall short. Another problem area is foreign investment: many of the countries still have to adopt EU practices on the free flow of capital, and on the principle whereby tenders for equipment such as school desks must be publicly advertised in the EU (unless they are very small).

One problem is the training of a new generation of bureaucrats who are skilled in operating in this kind of environment. In general there is a shortage of experienced and well-motivated people in the public sector: the more highly skilled have tended to go for jobs in private enterprise. This means that the public sector still tends to see a good deal of petty corruption, bribery and graft.

There is also a weakened judicial system in many of the countries, since skilled lawyers have joined the brain drain. The Czech Republic is advertising vacancies for 270 judges. Few qualified people are attracted by the low salaries on offer, however. There is a big legal backlog: Slovenia, for instance, has 300,000 unresolved cases. Any company seeking to contract with one of these countries has to bear in mind that any legal issues which may arise are likely to be subject to prolonged delay.

In some senses, all the accession countries are already operating within the EU. All of them are already linked with EU banks and other EU economic structures, for example. One of the conditions of entry is that the countries must be properly functioning market economies. They all meet this criterion, but this does not mean that they are all lean and competitive. They all need to move from high-labour to more technologically-driven economies.

One big question is whether the countries can continue to attract foreign investment at the rate it has reached so far, which they will need to do if they are going to move onto a higher technological level. The unit labour cost is low, but it is rapidly becoming higher, and this is leading to a new phenomenon: companies which moved into the region just a few years ago are now moving to Asian countries where the unit labour cost is much lower. New jobs in the accession countries tend to be in the new urban centres, and there is a higher level of unemployment than the EU average, affecting both the old industrial heartlands and the agricultural areas.

Education is well-established at primary level, and a high proportion of people go on to some sort of secondary education. However, most secondary training tends to be rather narrow and inflexible and not well adapted to the demands of the modern job arena. Only between 10 and 15 per cent go to university, as opposed, for example, to 25 per cent in the UK.

Communication is also lagging behind EU standards. Internet usage is much lower, personal computers are still beyond the reach of ordinary households, and the costs of electronic linkup are higher.

Meanwhile it is the social context which presents perhaps the biggest challenges. A poorly-developed civil society is one of the

most serious legacies of communism. Voluntary and charitable activity is generally underdeveloped, and self-help and mutual support groups (such as Rotary Clubs or Alcoholics Anonymous) are thin on the ground. Local authorities do not channel local pride into expressions of civil consciousness. Sources for civil funding exist within the EU. Funding for schools and universities is available through schemes like Erasmus. Opportunities exist for presenting your city as a cultural site. Funding projects generally have to have pan-European dimension and involve partnerships amongst groups in at least three EU countries. Social organisations in formerly communist countries are generally ill-equipped to apply for EU funding.

The media remain weak and newspapers have a small circulation. Political parties are also generally weak. The means whereby pressure groups can mobilise support for their cause are thus much less developed than in the West.

The formerly communist countries show a general suspicion of ideology. The tendency is for individuals or families to want to get on with their own lives. There is a potential danger here for civil society: if pressure were placed on the public space, would any group be prepared to take up the cudgels to defend it?

For more than a decade now the citizens of these countries have been looking West, desiring to come home to Europe. Soon they will be inside, looking East. Their eastern borders will be the new borders of the EU. These borders are very porous and will be vulnerable to illegal immigration. The accession countries are already receiving advice and assistance with western policing methods, and this will need to continue.

The citizens of all these countries saw the USA as their biggest champion in communist times. They are also well aware of who their champions have been within the EU. In this respect the UK is a hero in their eyes. However, the standing of France is much lower, and France's lukewarm attitude to the war in Iraq went down very badly in Eastern Europe (Poland, the Czech Republic and Slovakia all contributed troops to fight in Iraq). By and large they do not share the pacifist outlook of Germany, but they appreciate the fact that Germany has been one of the biggest champions of EU enlargement. They all reject the notion of a 'New' Europe: they see themselves as part of the Old Europe with its Christian tradition. At the same time they do not see Europe pitted against the USA: they see no contradiction in an enthusiasm for both.

## **Discussion**

The Eastern European countries have not taken much interest in

Islamic issues in recent history, and there is no sense of widespread anti-Islamicism. One member drew attention to the concept of 'enlightened fundamentalism' as characterising significant sections of Russian, Greek and Turkish society and manifesting itself inter alia in a critical attitude to the western understanding of human rights as individual rather than communal.

There will be a seven-year moratorium on the free movement of people within the post-enlargement EU; this was at the urging of Germany and Austria who will be at the front line for immigrants from the new member countries.

Ten years ago the GDP of Eire was 70 per cent of the EU average; now it is above the EU average, thanks to its low corporate tax system which attracts huge foreign investment. It is still receiving financial help from the EU, however. We may see the same phenomenon affecting the new member countries.

The accession countries have for some time been members of the Council of Europe; this was widely seen by them as the equivalent of rejoining civilisation. The Council of Europe has been an excellent training ground for them and indeed is the unsung hero of recent history. As the EU expands, however, questions will inevitably arise about the role of the Council. Maurice Fraser expressed the view that the Council would retain its human rights role, and that while organisations and institutions might increasingly choose to use the new EU mechanisms (through, for example, the Charter of Fundamental Rights) in cases of maladministration and some 'collective rights', individuals would probably continue to use the mechanisms of the Council of Europe.

Asked for his prediction on the nature of European identity in ten years' time, Maurice Fraser said that he thought Europe would be even more variegated from a religious point of view than it is now, and that European identity would inevitably be increasingly expressed in the context of rights. He could not see any other idiom available for expressing what the European ideal is about. However, he predicted that there would still be recognition that issues of rights are rooted in the Judeo-Christian tradition.

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