

What is the agenda after EU accession and what may be the response to the crisis?

To discuss civil society present and future, there is a need to take a look at the broader political and economic context within which civil society actors operate. 2 variables shaping the Central and Eastern European societies in 2009 are the post-EU-accession blues and the economic crisis.



Open Society Institute - Sofia has produced comparative policy research carried out in ten post-communist countries, formulating a couple of open questions: What is the next five years' policy agenda for the ten new member states? Is the transition over and the EU accession agenda fully accomplished - or there is still "unfinished business" to be done? Full report Some major points presented by [Assya Kavrakova](#):



I. The findings

- Five years, or two and a half, in the case of Bulgaria and Romania, after accession of 10 Central and Eastern European States to the EU, the process of transition of these countries is still not completed. CEE states continue to deal with the "unfinished business" of their transition agenda in the context of EU membership and the global economic and financial crises.
- The "unfinished business" in these countries concern mainly the policy areas of national competence: political systems, social, educational, health reforms and sustainable economic development, which have been relatively neglected by decision-makers in the pre-accession period for the sake of the specific accession agenda.
- The EU accession agenda did not coincide with the transition agenda, the latter being much larger. Moreover, part of the "unfinished" transition agenda nowadays has been the result of the constant shift of focus of reforms towards the requirements of the European accession.
- The biggest challenges in the post accession period concern the political system, characterized by fragmentation of existing political parties and appearance and disappearance of new ones, temptation to employ populism and nationalism as well as low and diminishing level of citizens' trust in the institutions of representative democracy.
- Deficiencies in the political domain have predetermined a framework where fragmented political parties with short-term political success are unable to commit to long-term and consistent reforms in the policy spheres that are of crucial importance for the citizens e.g. health, education, social protection and social inclusion, thus leaving those structural reforms largely incomplete.

II. The challenges

- The economic and financial crisis is posing additional challenges, there is a risk that catching-up will be reversed in most of the countries due to economic slowdown and currency depreciation. The crisis has exposed the vulnerability of public finances and is challenging the sustainability of economic development, diminishing some of the gains that accession has contributed to the economic convergence of the new member states with the old ones.
- Lack of progress in areas of citizens' concern might further increase the mistrust in the political establishments causing already fragile political systems to become increasingly vulnerable.
- The membership leverage has so far had limited impact on the "unfinished business" of the transition agenda during the post accession period. In the political domain, EU safeguards against extremism in politics are achieved through exercising peer pressure and implementing European policies, but there is no EU leverage specifically designed to remedy political shortcomings.

- In the uncompleted spheres of reform such as health, education, social protection and pensions the membership leverage – to the extent that it exists – is insignificant and ineffective as these are entirely national competences.

III. The way ahead

- The one potentially effective membership leverage on the new member states is the Euro area accession, as most countries are willing to do necessary efforts in order to qualify for the Euro. The requirements for adopting the Euro provide for prudent macroeconomic policies thus contributing to the sustainability of public finances. Meanwhile, the prospects for introducing the Euro in eight of the new EU members of CEE are still unclear and this limits the impact. Determining clear criteria for European Exchange Rate Mechanism II membership or alternatively allowing automatic entry for all new member states and then careful monitoring for fulfillment of the Maastricht criteria will increase its effectiveness in safeguarding public finances during the crises.
- A successful completion of the “unfinished business” of the transition agenda in the ten new member states would NMS require ensuring stable political systems with mature political parties, conducting and accomplishing long-term structural reforms in the policy spheres of citizens' concern - social, healthcare and educational fields - assuring functioning institutions of representative democracy that are trusted by the citizens, creating sustainable long-term economic development and safeguarding public finances.
- Unlike in the pre-accession period, when the EU played a major role in determining the development in CEE through the imposing the accession agenda, after accession it is up to each country to develop its own road map for accomplishing the transition agenda. This will very much depend upon the capacity of national stakeholders to administer reforms from the driver's seat. As this capacity differs from country to country, its development on a national level will determine the winners from the laggards in the CEE region in middle-term prospective.



The economic think-tank INEKO was invited to the Civil Society Forum to reflect on the current economic crisis and how this may affect the work of CEE civil society. Some points made by **Peter Golias**:



How may the current economic change the environment in which civil society works:

1. *Economical and societal developments:*

- Falling foreign demand and industrial production
- Outflow of Foreign Direct Investments
- Falling exchange rates, more expensive loans in foreign currency (Hungary)
- Growing unemployment and social tensions
- Growing public finance deficit, tendency to hide public debt (PPP projects)

2. *Political developments:*

Growing popularity of extremists threatens democracy, populists who do not solve problems because it is difficult and/or unpopular to implement reforms try to escape into extremism. Extremist notions leads to social tensions and signs of public unrest and xenophobia: e.g. recent attacks on the Roma minority in Hungary and Czech Republic, anti-Roma protests in Slovakia, growing tension between Hungary and Slovakia etc.

3. *Financial developments:*

Decreasing support from local private sponsors who face falling profits and cut down their support for the civil society

How should civil society react? What are the challenges highlighted by the crisis?

1. Economy and society: Identifying real problems and promoting real solutions

- A. Short-term measures – consolidation of public finances, sustaining countries' competitiveness, help to vulnerable people (unemployed, disadvantaged, poor, etc.)
- B. Long-term structural reforms – sustainability of public finances, improving business environment, privatization, transparency, pensions, health, education, etc.

2. Politics: Fight against populism and extremism, e.g. through:

- A. Public education
- B. Monitoring promises and their fulfillment, explaining whether promises are good or bad
- C. Fact-checking of arguments presented in media (facts work better than experts who can be attacked by populists)
- D. Showing (potential) brutal impact of extremism on innocent people, etc.

3. Sponsors:

- A. Focusing on non-private funding (i.e. government, EU, etc.)
- B. Focusing on low-cost projects dealing with immediate (short-term) problems
- C. Using in-kind support (such as voluntary work, free expert capacity of local private firms and/or municipalities)

