

Comment on “Prospects for Joining the European Union,” by András Inotai

Friedemann Müller

A famous German comic from the first half of this century once said “Everything has already been said, however, not by everybody”. This gives me the right to be repetitive but brief.

For 22 years, I have had the pleasure of being an enthusiastic reader of András Inotai’s papers. There was not a single time that I did not learn from each new paper that I read. This holds true for this paper. I would like to focus on only one point – and 5 sub-points.

The major point is that this paper is a little too conservative. It focuses a little too much on the problems of the past seven years instead of looking toward the problems of the coming seven years. András Inotai would probably disagree, so I would like to elaborate by taking up these 5 sub-points. I have one minor comment first. The paper suggests that there are four spheres of influence: a global, a Pan-European, an intra-European and an intra-candidate, and the paper focuses primarily on the last two. I would like to argue that the global and Pan-European spheres might have even more influence in the next seven years than the presentation suggested.

My first sub-point concerns the IGC. András Inotai says that the negotiations will start after “successfully finalising the IGC”. It sounds a little ironic; it is almost like saying “after successfully solving all of their problems”. My question is: Does the current European Union not have the right to have deep problems in its own integration process? The IGC is a further step of integration, and there have been several in the past 30, almost 40 years of European integration – some successful, some not very successful. It is quite unclear whether the IGC will be a success, but this is a very normal process. In comparison with what has already been said on the sub-regional processes in CEFTA and the Baltic countries, András Inotai claims that CEFTA success will be limited. Why not make the effort to make CEFTA a success – it will be painful, just like the IGC is painful, but why should the CEFTA countries be less able to be a cohesive region than the current European Union? Why should there be a more common integration notion between Ireland, Portugal and Austria than between the current CEFTA countries? Events in European Union integration do not remove your responsibility to do what you can do with integration efforts

in your own regions.

My second point is on globalisation, and I am not talking about the European Union as an entity but about the individual member countries. At least for Germany, there is no concept of how to meet this challenge. We have double-digit unemployment rates, we have a capital outflow ten times greater than capital inflow, and this is connected to the availability of employment. Why shouldn't these problems be as important as the problems of adjustment to European Union standards? Globalisation causes a problem far beyond the question of employment. It is a question of a competitive struggle which means that all sorts of public demand must be reduced and individual demand becomes important. It becomes important because the capital market is free and nobody has a chance to restrict it. We might want to keep public demand in some spheres like education or environment or some kind of preventive measures against security threats. In this situation, how can we be totally free to support any enlargement?

My third point refers to your very nice expression "the banana of European-type small tigers", which is what you call these countries from Slovenia to Estonia. I have been directing a research project on the environment and energy in Central and Eastern Europe. Scholars are participating from Russia, Ukraine, Poland and the Czech Republic. As you know, these are very different countries, especially in their recent development. But they are similar in one respect. In all of these countries, it is impossible to cut energy subsidies because this would have a major effect on the social situation by pushing many households below the poverty line. Although the government is not in charge of subsidising energy, it is in charge of social policy. And unfortunately, governments opted for the most inefficient way of implementing social policy, which is subsidising a product so that people can buy it cheap and waste it. In all of these countries, the energy consumption per GNP unit is at least three times higher than in Western Europe, and in some cases even six times higher. Mr. Karlsson brought in this notion of the second generation of transformation, and I think you have to get serious about transition – do not mix up subsidy policy with social policy. It is extremely inefficient and as long as you do it, you will not get a small tiger type economy.

My fourth point is the sensitivity threshold regarding national sovereignty. The paper recommends "a carefully designed and well-balanced communication strategy". This makes it sound like it is the responsibility of the current European Union to be sensitive with this question. I am from a country that for decades felt itself to be an outlaw with no international responsibility. We were pushed to take more international responsibility, and I would like to relate this experience to the Central and Eastern European countries. You must take more responsibility, even dur-

ing a time of hardship, and one part of this responsibility is to deal with these sensitivities of sovereignty. You must be clear and transparent to the population. It is not just a question of being diplomatic on the European Union side.

My final point is your pledge for a small-group approach of first-wave countries and your preference for Poland, the Czech Republic and Hungary as first candidates. As I just learned, this is close to official EU policy. But who is responsible for what happens to the remaining candidates? This is a delicate question and should not be left to the European Union alone. It should be part of the new responsibility of those countries in the first wave. Especially important in this regard are all of those questions about the second or third wave which might be delayed until 2010. Is this realistic and what happens in the meantime?

I will conclude with an appeal to the evolving responsibility on the side of the candidates because, otherwise, we will witness very difficult problems considering the fact that the European Union itself and its member countries are not as stable as some people seem to think.