

Improving the Coordination of European
Policies in Georgia Based on the Practices
of Visegrad Countries



Visegrad Fund

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POLICY STUDY

Improving the Coordination of European Policies in Georgia Based on the Practices of Visegrad Countries

Policy Study

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Study is undertaken by Georgia's Reforms Associates (GRASS) a non-partisan, non-governmental multi-profile policy watchdog and think-tank, which conducts research and public policy analysis and provides advice and project management in the fields of public policy and public administration reform. GRASS has identified Foreign Policy and Security, European Integration, Occupied Regions and Engagement, National Minorities, Education, Vulnerable Groups and Justice and Liberty as the areas of its work. GRASS was established in October 2012 by a group of like-minded former senior civil servants from the Georgian Ministries of Justice, Interior, Economy, Foreign Affairs and Defense, among other government agencies and former international civil servants with worldwide experience.

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Foreword

Sergi Kapanadze

This publication discusses different institutional set-ups for EU coordination policies in the four Visegrad countries - Hungary, Poland, the Czech Republic, and Slovakia - and in one EaP country - Georgia. In the process of converging with the EU norms enshrined in the Association Agreements/Europe Agreements, the institutional architecture for European policies in the Visegrad countries played a decisive role. This publication puts emphasis on the coordinating mechanisms, since they served as effective tools in public administration and in driving reforms in these countries. Correspondingly, the Hungarian, Polish, Czech, and Slovak experience is relevant for the EaP countries and for Georgia.

Analysis of the Hungarian coordination model shows that the Ministry of Foreign Affairs was the key institutional actor that shaped Hungary's strategy with regard to the EU policies. Hungarian MFA was responsible for representing the government in the EU-Hungary Association Council meetings, as well as coordinating the work of Hungarian institutional actors. A State Secretariat for Integration was created within the Ministry, which was in the center of every integration-related issue. State Secretariat coordinated the work on the negotiation positions and was in communication with all other ministries. In turn, every ministry addressed EU Integration issues through the established EU departments within their ministries.

In Poland, EU integration was facilitated by the Office of the Committee for European Integration, established in 1996, which was a central actor in the institutional architecture of EU coordination. The Committee for European Integration was a specially designed independent coordination institution in the Government that dealt with the programming and management of policies in the areas related to Poland's integration with the EU. The main task of the Committee was to accelerate Poland's adaptation to the EU standards and to make political decisions necessary for EU accession. The chairperson of the Committee for European Integration was usually the Prime Minister, who appointed the secretary of the Committee.

Among many other areas, the Committee was also responsible for communicating EU issues to the public.

In the Czech Republic, the main decisions concerning European policies were made in the Government's Committee for European Integration, which had consultative, coordinating, and initiative capacity. Created in 1994, it was a special coordination body responsible for dealing with fulfilling the AA obligations and for the negotiations with the EU. The Committee for European Integration was comprised of the Prime Minister and representatives from the relevant ministries. Another coordination body was the Working Committee for the Implementation of the Europe Agreement, chaired by the deputy foreign minister and comprising of an inter-ministerial group of high-level civil servants. Additionally, there were 22 Expert working groups that consisted of representatives of the line ministries in line with the thematic divisions of the AA. Another strong institution in coordination EU policies was the Ministry of Foreign Affairs. The Minister of Foreign Affairs was also a key negotiator with the EU and supervised the Czech Republic's accession to the EU.

In Slovakia's case, accession negotiations were headed by the Ministry of Foreign Affairs (MFA). The MFA along with the Chief Negotiator and his team coordinated the preparation of line ministries in negotiating chapters. The MFA and the departments headed by the Chief negotiator was also in charge of Slovakia's communication and negotiations with the European Commission and member states, along with the country's Mission to the European Communities. The Deputy Prime Minister's Office was responsible for domestic legal adaptation and the implementation of EU compatible laws through the work of the Institute of Approximation, as well as for domestic coordination of pre-accession aid and public communication of EU issues. The Ministerial Council for European Integration, comprised of the deputy prime minister and the ministers for Foreign Affairs, Economy, Finance, Agriculture, and Interior, as well as the Chief Negotiator, was a formal communication and advisory mechanism.

Georgia's institutional model for coordinating the EU integration process is based on the office of the State Minister for European and Euro-Atlantic Integration. As for the main decision-

making body in the process, there is the governmental Commission on European Integration. The office of the State Minister serves as its secretariat. The responsibility of the State Minister is comprised of the development of a joint policy for the implementation of the Association Agreement and the Association Agenda. The Ministry of Foreign Affairs is responsible for the political dialogue and negotiations with the EU. After the signature of the Association Agreement and the Deep and Comprehensive Free Trade Agreements, Ministry of Economy has the responsibility to coordinate the DCFTA.

This publication proceeds in the following way: first four chapters discuss the Visegrad countries' institutional setups in charge of coordinating European policies, public communication strategies, and politically and economically sensitive issues during the implementation of the Association Agreements/Europe Agreements as well as during the accession process. Fifth chapter covers the current state of affairs in Georgia's institutional architecture in terms of European policy coordination. Recommendations for the Georgian Government based on the experience of the Visegrad countries are drawn and the main challenges for Georgia's implementation of the Association Agreement are pointed out.

This publication could be of interest to the students of European integration, governance, public administration and international relations as well as public servants and policy-makers in charge of coordinating European policies and implementing Association Agreements and Deep and Comprehensive Free Trade Agreements in the Eastern Partnership countries and elsewhere in Europe.

Chapter 1

Similarities and differences: EU's relations with the Visegrad Countries, Western Balkans, EaP countries, and institutions in Charge of EU coordination

Meri Maghlakelidze

Introduction

This chapter discusses the enlargement of the European Union in the past 20 years, with emphasis on the accession of the Visegrad states within a group of Central and Eastern European Countries in 2004. It also addresses the EU's relations with the Western Balkan region and the Eastern Neighborhood. It is argued that the EU's overall approach towards the CEE countries in the pre-accession period and its cooperation with the former Yugoslav states and EaP countries are considerably similar, though there are also differences among these collaborative frameworks. Empirical evidence shows that there are common strategies that the EU applied in its relations with the CEE, the Western Balkans, and EaP countries, including: an established set of criteria and conditions for its relations with the counties getting closer to the EU, a complex monitoring mechanism managed by the European Commission, protracted negotiations, and an incremental process of domestic change. Furthermore, the principles that the EU enshrined in cooperative arrangements with its neighboring countries and EaP governments are borrowed from the enlargement experience: The benchmarks of the EU's relations with the third countries, as in the case of the CEE or Western Balkan countries, could be identified through a screening process, systematic meetings and communications, strategy papers, national programs, regular reports by the Commission, and a merit based approach. The monitoring process, carried out by the European Commission, was pursued through the Stabilization and Association Agreements in the case of the Western Balkans, and in the European partnership agreements and Europe Agreements in the case of the CEE countries.

Similarly, the Commission monitors and evaluates the implementation of the Association Agreements in the EaP countries. The EU has strong transformative power by incentivizing EU candidates, potential candidates, and third countries to converge with European standards and norms. In this regard, for candidate countries, the coordination of pro-European policies at the national level plays an imperatively important role in the process of countries' adaptation to EU standards. Coordination mechanisms are key tools in the respective countries' public administration in driving reforms. Consequently, in order to improve the institutional set up of European policies in Georgia, this publication will share the experiences of the four Visegrad countries, and, based on the lessons learned from the Czech Republic, Poland, Hungary, and Slovakia, it will outline specific recommendations for Georgia.

The EU and the Visegrad States

The accession of the Visegrad states to the European Union (along with a group of countries of Central and Eastern Europe) took almost 15 years. The process included protracted negotiations with aspirant countries, a number of conditional provisions from Brussels, a complex monitoring mechanism managed by the Commission's Directorate General for enlargement, and apparently, a political will from the EC/EU to welcome the CEE countries 'back to Europe.' As Gilbert notes (2012: 184) "Budapest, Prague and Warsaw were great bastions of European civilization [...] and it was impossible for the EU countries to turn their backs on their cousins east of the Elbe River." The end of the Cold War, and the collapse of the Soviet Union and Communism changed the political context of Europe. It created an opportunity for Western Europe to reconstruct its relations with the countries of Central and Eastern Europe through political, economic, and cultural cooperation. On the other hand, CEE governments strived for EC/EU membership and lobbied for it in Brussels for years. This led the Commission to conclude (1990b: 31) that "the European Community has what might be termed as mystical attraction" (cited in Bretherton and Vogler, 2006: 140) towards the CEE countries.

At the Strasbourg Council of 1989, the European Summit declared that the EC should take a 'special responsibility' for the countries of Central and Eastern Europe. As a result, the Commission was tasked to produce proposals for a new type of association agreement appropriate for developing relations with the target countries. In 1991, the EU negotiated bilateral Europe Agreements (often referred to as Association Agreements) with the Visegrad countries of Poland, Hungary, and Czechoslovakia, which included wide-range of provisions for approximating national legislation in conformity with that of the EU, with no clear commitment of membership perspective. The same type of agreement was signed by other CEE countries later in 1990s. These agreements were supplemented by special financial assistance programs from the EU such as PHARE. Despite these EU efforts, the CEE governments were openly expressing hope for EU accession since they established liberal democratic and market based systems, though a long transitional period was necessary for these countries in the early stages of post-communist reconstruction to converge with EU standards in economic and political terms.

The 1993 Copenhagen Summit marked a milestone in the EU-CEEC relationship. The European Council formally endorsed the CEE countries' membership. As EU leaders declared in the Conclusions of the Presidency, "the associated countries in Central and Eastern Europe that desire shall become members of the European Union. Accession will take place as soon as associated country is able to assume the obligations of membership by satisfying the economic and political conditions required" (European Council, 1993: 12). The Copenhagen Summit laid down the formal membership criteria, which represented the first precedence in the Community's history of enlargement rounds. The Copenhagen criteria were designed to assist aspirant countries to approximate their political and economic systems with existing member states, and also to assist their adoption of Union laws and policies (the EU *acquis*).

This arduous process was continued by the readiness of 10 Central and Eastern European countries (the four Visegrad countries: Poland, Hungary, Czech Republic, Slovakia, as well as Bulgaria, Estonia, Latvia, Lithuania, Slovenia, and Romania) to meet EU standards. The governments of all these countries officially applied for EU membership between 1994-1996.

The EU created a new instrument, the Accession Partnership, for aspirant countries focusing on the Union's priorities for accession, which was in accordance with the European Commission recommendations set out in its "Agenda 2000: For a stronger and wider Union," issued in 1997. These partnerships involved a continuous dialogue and screening process between aspirant countries and the Commission. The screening process, which was a new procedure set by the EU, included a provision for Regular reports by the Commission as a monitoring mechanism on CEEC progress in meeting the Copenhagen criteria. The culmination of this process was the 2002 December Copenhagen Summit, when European leaders decided that an accession treaty could be signed with all negotiating countries except Bulgaria and Romania. This decision was in accordance with the merit-based system supported by the reports and recommendations from the Commission. As a result, in May 2004, there was a 'big-bang enlargement:' 10 new member states (including Malta and Cyprus) joined the EU. Bulgaria and Romania acceded to the EU two and a half years later, in 2007.

The EU and the Western Balkans

Stability in the Western Balkans (usually referred to as the former Yugoslav countries) is one of the priorities for the EU due to security reasons. Illegal migration, organized crime, the fight against terrorism, border crossings, visa issues, and return of refugees represent some of the main cooperation domains in the EU-Western Balkan relationship, since these issues pose a threat to EU member states and potential candidate countries. As Dinan noticed, "the EU sees the situation in [the] Western Balkans after the recent wars as being similar to the situation in Europe after WWII" (2010: 492). Therefore, in order to promote peace, stability, and prosperity in the region, the EU applies the same strategy to achieve the economic and political integration of these countries as in the Union. Currently, from the group of Western Balkan countries, the Former Yugoslav Republic of Macedonia, Montenegro, and Serbia are EU candidate countries; Albania, Bosnia – Herzegovina, and Kosovo represent EU potential candidates. Croatia joined the EU in 2013.

In 1999, the European Union created the Stability Pact for South Eastern Europe as a cooperation framework to strengthen peace, stability, democracy, human rights, and assist economic development in the region. This tool was replaced by the Regional Cooperation Council in February 2008. Additionally, in the 2000 Zagreb Summit, where the Western Balkan countries declared their intention to join the Union, European leaders agreed to launch the Stabilization and Association Process (SAP). Under SAP, the EU negotiated Stabilization and Association Agreements with the Western Balkan countries (negotiations with Kosovo started in 2013), which encouraged a number of reforms in the participating countries from the region through financial aid, technical assistance, and trade preferences. There are many similarities between these agreements with the “Europe Agreements.” Analogously, Stabilization and Association Agreements hold membership conditionality. Negotiations were based on the implementation of the Copenhagen criteria. This process can be characterized as a preparatory relationship assisting accession states to become full candidate countries. It is also noteworthy that besides the Copenhagen conditions, there is also a requirement for the Western Balkan countries to have regional, cross-border cooperation, in addition to completing their cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) over alleged war crimes. Relations between the Western Balkan countries and the EU were further strengthened at the Thessaloniki Summit in 2003. European leaders reiterated their endorsement for Croatia, Albania, Bosnia-Herzegovina, Macedonia, Serbia and Montenegro for EU membership.

In return for the considerable efforts of local authorities in rectifying numerous problems (which was evaluated by the Commission as progress), the EU granted benefits to the countries of the region. This included free access to the Union’s market for almost all goods (since 2000), and lifting visa requirements for citizens from Serbia, the Former Yugoslav Republic of Macedonia, Montenegro (since 2009), and Albania and Bosnia-Herzegovina (since 2010). However, the Commission has repeatedly identified in their assessments a number of challenges to be addressed by the Western Balkan countries, including the functioning of government institutions, public administration, judicial reforms, respect for human rights, media legislation, and further efforts in this direction. As Staab claims, membership cannot be

denied to these countries as long as they meet strict criteria. Not only the enlargement criteria as applied in 2004, but also the requirement for regional cross-border cooperation as a vehicle for turning former enemies into partners (Staab, 2011: 39). A good example of this argument is Croatia. The country is a forerunner of Western Balkan countries and joined the EU in 2013.

As the empirical evidence shows there are a number of similarities that the EU applied in relations with the countries of CEE and the Western Balkans. The following similarities can be identified: an established set of criteria and conditions for countries integrating into the EU; a complex monitoring mechanism managed by the Commission, which acts as a 'gatekeeper' (Grabbe, 2001); protracted negotiations; incremental process of 'domestic change'. The benchmarks of this process included a screening process, systematic meetings and communication, strategy papers, national programs, regular reports by the Commission, and a merit-based approach, while political considerations also played imperative part in the process. As Juncos and Borragan (2013) also claim, the monitoring process by the Commission was pursued through the Stabilization and Association Agreements in the case of the Western Balkans, and through European Partnership agreements and the Europe Agreements in the case of the Eastern Enlargement (p. 230). Additionally, in his analysis of enlargement, Staab (2011) identifies key principles the EU followed in pursuing its objectives for enlargement and for imposing requirements on the candidate countries. Two out of four principles draw our particular attention: (1) The EU insists on the full acceptance of the *acquis communautaire*; (2) The EU's preference to negotiate with groups of states that already have close relations with one another (pages 35-36). I argue that this logic, which was used in the case of CEEC and Western Balkans, can also be extended to the discussion of the EU's relations with neighboring countries, particularly within the framework of the Eastern Partnership.

The EU's Neighbourhood: ENP and Eastern Partnership

Six countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) form a sub-group of the Eastern Partnership (EaP) under the wider European Neighborhood Policy (ENP). The ENP

was established in 2004, and is an institutional framework between the EU and 16 of the EU's closest neighbors – Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia, and Ukraine. As enlargement brought new borders and new challenges, it served as an impetus to create a new framework of cooperation that would ‘avoid drawing new dividing lines in Europe’ (Commission Communication on Wider Europe, 2003, 4). The ENP represents a good example of the Europeanization through which the Union promotes its principles and values and attempts to give them a broader regional dimension; it deals with close neighbors, covers a broad range of policies, and aims to promote political, economic, and security-related reforms in the participating countries. The ENP is based on “the explicit commitment of the EU to extend its *acquis* beyond membership” (Schimmelfennig, 2009, 6); in other words, this collaboration does not imply membership conditionality for progressive countries. As European Commission President Prodi (2002, 6) declared, this relationship offers ENP countries “everything, but institutions.”

As the first years of the ENP cooperation evidenced, the Eastern European Countries had different approach towards EU integration compared to the Northern African and middle Eastern countries. This was reasoned by cultural, political, and economic differences. Eastern European countries were more successful in implementing political reforms and converging with the Union’s standards, while in the action plans of the Arab countries there was no mention of democracy and good governance. The emphasis instead was on migration policies and the threat of terrorism (Casier, 2010: 102-103). Consequently, the EU applied a more regionally focused approach, and in 2008, Poland and Sweden elaborated the idea of proposing an Eastern Partnership with the Eastern Neighbors in return to French entertaining the idea of Mediterranean Summit. The Eastern Partnership was developed within the structures of the ENP at the Prague Summit in May 2009, and aimed at strengthening relations between the EU and participating countries. The commitment to cooperate under this joint policy is based on shared values such as rule of law, good governance, respect for human and minority rights, and free market principles, and is an attempt to further promote these values in the EaP countries. The EaP has a bilateral track which aims at (1) fostering political association and further

economic integration with the EU; (2) enhancing sector cooperation; (3) supporting the mobility of citizens and visa-free travel as a long-term goal. Bilateral relations are complemented by multilateral cooperation focusing on thematic platforms and flagship initiatives (European Commission official website, enlargement, EaP). This multilateralism can also be identified as another similarity with EU-CEEC relations, where the EU had two sets of multilateral processes: The Stability Pact and a 'structured dialogue.'

The EU potentially offers association agreements to the participating EaP countries and encourages political and economic reforms while providing support through financial aid – an ENP Instrument. As Giusti and Penkova outline (2010: 136) explain, the areas of deeper cooperation should include a visa-free regime, a free trade zone for services and agricultural products, people-to-people contacts, transport infrastructure, border control, and in environment. Most importantly, "the [EaP] initiative does not explicitly advocate membership, but it prevents the EU from ruling it out" (ibid). The progress EaP countries achieve then have wider implications for the EU's stability and security. "The EU likes to say that successive rounds of enlargement have brought the countries of [the] EaP closer to the EU. In fact, enlargement has brought the EU closer to these countries" (Dinan, 2010: 494).

Similarities and differences: Relations with the V4, Western Balkans, and EaP countries

The principles that the EU enshrined in the policy frameworks with its neighboring countries are largely borrowed from the enlargement experience; the EC strategically adapted enlargement policies in relations with the third countries. "From the use of action plans, regular reports and negotiations to the larger conceptualization and use of socialization and conditionality, the development of the policy [the ENP] shows significant mechanical borrowing from the enlargement strategies" (Kelley, 2006: 29). This argument can be supported by evidence that early drafts of the action plans created for the ENP countries highly resemble the traditional association agreements used for the early stages of recent accessions. The structure of dialogue is also similar as well, as the use of annual reports resembles the progress reports for accession.

Additionally, “the Commission has also retained the principle of differentiation, which was a key lesson of enlargement” (Ibid, page: 49). Sasse (2008: 295) also argues that the ENP “is modeled on the institutional and procedural experience of the EU’s eastward enlargement, although it explicitly excludes a membership perspective. It thus aims to define an alternative incentive for domestic reform in neighboring countries, referred to as ‘a stake in the internal market’.”

While the EU does not impose membership conditionality for EaP countries, the *acquis* conditionality is applied. This is illustrated in the bilateral legal agreements between the EU and EaP countries such as Association Agreements and entailing Deep and Comprehensive Free Trade Agreements, which represent a legal basis of cooperation. AAs were signed with Moldova, Georgia, and Ukraine in 2014. DCFTAs entered into force for Georgia and Moldova simultaneously, and will enter into force for Ukraine from 2016 if no decision is made by Kiev to further postpone its entry into force. Reforms to be implemented by the national governments, as provided in the AA, DCFTA and Visa Liberalization Action Plans, aim to satisfy EU standards and are often similar to the requirements set forth against the CEEC during the process of accession.

Signature countries of the Association Agreement take responsibilities to transpose EU legislation (the *acquis*) into national legislation and ensure its proper implementation. It is noteworthy that the *acquis* -- which consists of all treaties, EU legislation, and case law as developed by the European Court of Justice since the Treaty of Paris in 1951, including every policy -- is ever growing. Consequently, EaP countries have to satisfy more conditions and meet more obligations than the CEE countries had to meet during their accession. This entails a complex and time-consuming process.

Despite the similarities, there is a sharp distinction among the EU’s relations with EaP countries and CEEC and Western Balkans - the lack of membership conditionality, which was termed as a ‘conditionality-lite’ (Sasse, 2005). The conditionality principle has been widely discussed in the Europeanization literature, since it is one of the main instruments that the EU employs for the rule transfer to candidate and non-candidate countries. Smith (1998: 256) defines

conditionality as “linking, by a state or international organization, of perceived benefits to another state, to the fulfilment of conditions relating to the protection of human rights and advancement of democratic principles.” Positive conditionality implies promising benefits in return for compliance with stated conditions. Conversely, negative conditionality involves reducing, suspending, or terminating those benefits if the target country violates those conditions (ibid).

Vachudova (2005: 63) distinguishes between ‘active’ and ‘passive’ leverage in her study of post-communist countries’ reintegration into Europe. Passive leverage simply means the attraction of EU membership, whilst active leverage implies “deliberate conditionality exercised in the EU’s pre-accession process.” Other scholars re-conceptualize conditionality as a process shaped by the formal and informal conditionality in which behavior of the actors involved “operationalize the mechanisms by which the formal rules are transmitted.” Thus it is highly influenced by the policy area, the content of *acquis*, and the country concerned (Hudges, et al. 2004:526).

The EU requirements for europeanizing countries cover democratic conditionality, referring to the fundamental principles of human rights and liberal democracy, whereas the *acquis* conditionality concerns the specific rules of the *acquis*. (Schimmelfennig, Sedelmeier, 2004:669).

The ENP was based on the EU’s commitment to foster the spread of principles of ‘legitimate statehood’ (Schimmelfennig, et al. 2003), such as liberal democracy and human rights, and it also uses conditionality as the main tool for norm promotion. As was already mentioned, the policy is highly influenced by previous experiences of enlargement, in regards to the EU’s relations with partner countries according to their successful implementation of reforms. The conditionality principle was stipulated in the ENP strategy paper (2004: 13): “The level of the EU’s ambition in developing links with each partner through the ENP will take into account the extent to which these values are effectively shared.” This ‘softly phrased reference to conditionality’ (Kelley, 2006: 30) is aligned with the joint ownership principle of the ENP. Joint

ownership means that parties involved agree on the reform agenda jointly, taking into account their shared values and common interests (European Commission, ENP Strategy Paper, 2004: 8). However, some scholars argue that the prospects for this strategy are 'gloomy' (Freyburg, et al. 2009: 916), as it does not provide a membership perspective for the ENP countries. Sasse (2008: 296) names it 'conditionality-lite': The key defining incentives and enforcement structures are vague for both the EU and ENP countries. The EU attempts to redefine incentives for domestic change by offering 'a stake in the EU internal market.'

Association Agreements, similar to the ENP strategy paper do not offer the membership perspective to the signature countries. However, the approach from the EU softened during the AA process, since the EU acknowledged the 'European aspirations' of the signature countries and dubbed them as 'East European states'. For the students of European integration this is an euphemism for the membership perspective, since the Treaty on the European Union (article 49) provides that any European state can become the member of the European Union. Nonetheless no explicit promise of the EU membership is granted in the Association Agreements to the EaP countries.

There is a consensus among scholars that credible membership prospect is the most successful tool in making countries adherent to EU principles. The 2004 enlargement is an example of it (e.g. Schimmelfennig, Sedelmeier 2004; Schimmelfennig et al. 2003; Sedelmeier 2006). Therefore, many authors argue that since the ENP and consequently the EaP does not provide membership perspective, the relevant countries do not have enough incentive for Europeanization. Moreover, conditionality was described as inconsistent in the ENP. (Schimmelfennig, 2005; Kelley, 2006; Epstein, Sedelmeier, 2008; Schimmelfennig, Scholtz, 2008).

On the other hand, Sasse (2005) poses counterarguments to the Schimmelfennig (2005) statement that the ENP will not have an impact on democracy and human rights in the ENP countries because the costs of political adoption are higher for governments that are authoritarian. Sasse (2005: 303) argues that the central question is not about semi-democratic

leaders, but “whether opposition forces, reform elites, or society at large will see it as a sufficient incentive to mobilize against domestic veto players.”

Kelley (2006: 38) also recognizes the limitation of conditionality in the ENP, but suggests other added values that could trigger domestic change, such as enhanced trade preferences, development of interconnected infrastructure for energy and transport, and participation in the EU’s internal market. The ENP and EaP are interesting frameworks to explore to what extent conditionality can motivate countries to adopt European norms and events. Kelley says that turning point events such as the 2003 Rose Revolution in Georgia and the 2004 Orange Revolution in Ukraine “may provide the EU with policy windows” (ibid: 50).

Clearly the countries that signed Association Agreements and DCFTAs with the EU are bound to have closer relations with the EU and an appetite for even deeper integration; they have a potential of benefitting from different privileges that the EU offers to non-EU member countries such as Norway, Switzerland, and Iceland.

Institutions in charge of EU coordination and their role in driving reforms

The discussion above demonstrates that there is a complex, multi-faceted relationship between the EU and the countries trying to approach European norms and regulations. What is most common during the processes outlined above is the EU’s transformative power. The EU manages to incentivize, to some extent, countries to get closer to European standards and share a value-based relationship. Scholars have widely addressed the question: What are the determinant factors for countries’ successful rapprochement with the EU? And how do European Integration and Europeanization affect domestic policies, politics, and politics of the member states and beyond? Some scholars argue that Europeanization leads to distinct and identifiable changes in the domestic institutions and structures of the states. However, national features continue to play an imperative role since domestic adaptation is pursued with “national colors” (Risse, et al. 2001: 1). Furthermore, there have been different explanations of

Europeanization mechanisms. In this regard, while identifying conditions for expected domestic change in response to Europeanization, Borzel and Risse (2003: 58) emphasize the role of various facilitating factors, such as actors and institutions that respond to 'the adaptational pressures,' thus inducing the change. This argument is embedded in the rationalist theoretical framework of the 'logic of consequentialism.' One of the mediating factors identified is formal institutions. They "can provide actors with material and ideational resources necessary to exploit European opportunities and to promote domestic change. The European political opportunity structure may offer domestic actors additional resources. But many are unable to exploit them when they lack the necessary action capacity" (ibid, p. 65). In this regard, the coordination of European policies at the national level plays a particularly important role. National coordination structures can be defined as "a public administration body which deals with monitoring of EU obligations' implementation, coordinating relations with the EU, providing expertise and advice concerning European policy for line ministries" (Kapanadze, 2007: 165).

In 1997, the European Commission issued a document "Agenda 2000: For a Stronger and Wider Union," which represented a roadmap for enlargement. The document evaluated the impact of enlargement on the European Union itself and assessed the readiness of candidate countries to implement policies in regard to political and economic criteria in case of EU accession. In this document, the Commission outlined the importance of the administrative and legal capabilities of the national governments aspiring to accede to the EU. The document underlined that reconstructing and modernizing the administrative capacity of the applicant countries was essential in their efforts to transpose and implement EU legislation in domestic policies. (European Commission, Agenda 2000). The coordination of public policy is a complicated issue, especially in the case national governments' convergence process with the EU. On the one hand, there are internally complex bodies within the Union where decision-making happens at numerous levels, and on the other hand, there are the national governments of the aspirant countries, where there is a decentralization process is taking place in accordance with democratic principles. It is no easy task. While discussing coordination problems, Boston (1992) underlines that "organizational fragmentation, policy complexity, resource scarcity, sectoral

interdependence, conflicting values, competing interests, departmental rivalries, increasing specialization, the sheer scope and scale of government activity, and the overload of senior policymakers all make the task of achieving political cohesion, policy consistency, and administrative coherence a virtually impossible feat.”

In the process of Europeanization, this can be conceptualized as convergence with the EU standards. Countries need to satisfy a number of political and economic criteria. They should transpose the EU *acquis* into national legislation, and ensure the implementation of the policies in accordance with EU norms; and, prepare their economies to participate in the single market. This process is usually facilitated by established institutions that provide oversight of European policy coordination at the national level, and play an active role in the process of countries’ *rapprochement* with EU standards. Additionally, coordination institutions usually have the function of shaping a country’s common position on various issues. The closer a country is to accession to the EU, there is a greater necessity for a unified and solid position of a Government on a certain policy issue. This is reasoned by the multiple dimensions of cooperation with the EU. A country’s position regarding a specific issue cannot be shaped solely by a single ministry or a governmental body. This additionally outlines the importance of effective institutions in charge of EU coordination and their role in driving reforms -- and thus in bringing a country closer to the EU.

The nature of coordination and mechanisms for enhancing policy coordination in the government is key in pursuing effective public administration. Coordination becomes prevalent in the process of countries’ *rapprochement* with EU standards, since a “‘misfit’ or incompatibility between European-level processes, policies, and institutions, on the one hand, and domestic-level processes, policies, and institutions, on the other,” (Borzel and Risse, 2003: 58) lead to increased pressures from Brussels. As a result, national governments are challenged to respond to these pressures by developing coordination mechanisms so that they can freely communicate with different layers of EU institutions and implement the necessary policies. In this regard, enhanced administrative capacity and strategically devised institutions play an important role in ensuring coordination at the national level. This must be achieved through the

proper allocation of tasks and resources among different ministries and other public organizations, in order to mobilize joint efforts and have coordinated actions on a specific issue. Metcalfe (1994: 277) argues that “because of the scale and diversity of governmental functions, co-ordination responsibilities are widely diffused... Depending on the policy issues involved, preparatory work can be done solely within individual ministries if policy fields are independent. But increasingly, policy problems are interdependent.” The author also offers a policy coordination scale, where emphasis is made on management capacities for coordination and inter-organizational processes where each ministry coordinates with other ministries on issues of mutual concern. (Ibid. pages: 280-281). The scale measures increase on the dimension of coordination in the following way:

1. First, there is independent decision-making by ministries;
2. Communication with other ministries (information exchange);
3. Consultation with other ministries (feedback);
4. Avoiding divergences among ministries;
5. A search for agreement among ministries;
6. Arbitration of policy differences;
7. Setting limits on ministerial action;
8. Establishing central priorities;
9. Government strategy.

In order to further explain how institutions deal with the organization and reconciliation of different simultaneous processes and activities at the national level, and what kind of role they play in the interaction among European policies at the domestic level with national administrations and EU institutions, Kapanadze defined five models of domestic coordination structures, depending on the type of coordination and institutional architecture (Kapanadze, 2007: 163-180). The typology is based on observations of the CEE countries, and is outlined according to which institutions are delegated with coordination functions. Usually, these institutions are: (1) The Ministry of Foreign Affairs; (2) the Ministry of European Integration; (3) a specially designed, independent coordination institution in the government; (4) the Prime

Minister's Office; (5) or, none of the above, in a decentralized model (ibid, page: 167). The common connector among these different models is that, at some stage, they are key drivers in implementing reforms at the national level.

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Chapter 2

The coordination of European policies in the V4 countries: the case of Czech Republic

Vera Rihackova

Overview

The Czech Republic's association and then accession process to the European Community/European Union unfolded in the context of major changes in international relations in Europe. Before the milestone of 1989, the former socialist Czechoslovakia's (CSSR) relations with the European Economic Community were rather scarce, unlike Hungary, for example, which was also in the communist sphere of influence. First contacts began in 1984 on the issue of trade in industrial products, with further negotiations in 1986-1988. Only in June 1988 were official diplomatic relations established between the EEC and Czechoslovakia. In September 1990, after the revolution of 1989, preparations for an Association Agreement (AA) were initiated, and the process was officially launched in December 1990. There were eight rounds of negotiations in Brussels, with the talks concluding in November 1991. Most of the negotiations were conducted by the representatives from the Ministry of Foreign Affairs, which was the best equipped with the human resources for the task, in terms of both language skills and legal knowledge of the EU affairs. The Europe Agreement was signed in Brussels in December 1991, establishing an association between Czechoslovakia and the EU.

In the early years of the transition in the economic sphere were reinforced by the general impression of maturity. The shift to market system was not characterized by the painful social or economic disruption (Leigh, 2003: 87). The major problems Czechoslovakia faced during the negotiations were about the textile industry, where there was potential competition from Belgium, France, Portugal, and Greece, and in trade in agricultural products. In parallel to the

AA, an Interim Agreement on trade and trade related matters was negotiated, establishing steps towards a free trade area which had to be fully accomplished by January 2002. The Interim agreement between the European Economic Community, the European Coal and Steel Community, and the Czech and Slovak Federal Republic (CSFR) went into effect in March 1992 without a full ratification process, which was not mandatory. The Interim agreement proved important with a political crisis and the disintegration of the CSFR in 1992, and with the AA ratification process put on hold. The Interim agreement had to be re-negotiated (division of custom quotas, etc.), with an additional protocol signed in December 1993. It went into effect in January 1994.

The Czech Republic became a separate independent country on January 1, 1993 after the peaceful split of Czechoslovakia. By the end of the month, re-negotiations for the AA started, with two rounds of talks. In October 1993, the Association Agreement with the Czech Republic was signed, incorporating the Copenhagen criteria presented by the European Council in June 1993, as a response to the EU membership aspirations of the CEE countries. The Association Agreement went into effect in February 1995.¹ In 1997 the Czech Republic suffered a cyclical economic crisis, and in combination with severe floods that hit the country that year, the government decided to introduce measures that were criticised by the European Commission, namely the introduction of import deposits. The EC also criticized the government giving heavy subsidies to the steel and banking sectors (1997-1999), but the Czech government managed to avoid the fines for breaking competition rules, thanks to inclusive negotiations with all relevant national and EU stakeholders. In January 1996 the government of Prime Minister Vaclav Klaus submitted an application for full EU membership. Accession negotiations were officially launched in March 1998.

¹ There were several additional protocols to the AA: in 1995 – on accession to EC framework programmes for SMEs, culture, environment; in November 1996 – on phytosanitary measures, and on trade with textile products; in September 1997 – on accession to Leonardo, Socrates, and Youth for Europe programmes; in 1998 – on EU enlargement of Austria, Sweden and Finland, on results of Uruguay GATT negotiations in the agriculture trade, PECA, etc.

The early 1990s was marked by a complex change of orientation and priorities, with many parallel processes taking place in the country. Foreign policy discourse was dominated by the idea of a 'Return to Europe,' an approach stressing the quick accession to NATO and the EC/EU as the primary goal, based on the notion that the Czech Republic historically belonged to the family of European democracies. The Czech government assumed that the country would show better performance in the process of EU accession rather than in co-ordinated strategy with other Visegrad countries, though accession to the EU was the top foreign policy priority which was never diverted (Kopecky & Ucen, 2003: 167). At the same time, the country was engaged in various difficult negotiations: Renegotiations of financial statutes, negotiations about the withdrawal of USSR troops, restitutions, OSCE membership, Partnership for Peace membership, the war in Iraq and the CSFR's involvement in the coalition for the operation Desert Storm, and so on. The EC/EU association process was one of many priority items on the agenda. At the same time there were negotiations to divide the CSFR, and there was a significant change of elites in the country. Undoubtedly, the EU association and accession processes helped to speed up the country's transition to democracy; yet many issues that couldn't be resolved quickly still needed to be tackled in order to achieve Western European standards of democracy (such as the quality of public administration, judiciary, education, corruption). On the other side, the EC/EU was not prepared for the regime change that swept across Central and Eastern Europe in 1989. Besides the overall uncertainty about the future of the region, the EC/EU had to deal with the reunification of Germany and preparations for the 1995 enlargement -- both being demanding legal and administrative changes.

Setting up the institutions for implementing the AA

In the case of the Czech Republic, the implementation of the AA provided a certain framework for accession to the EU. It needs to be noted that the Association Agreement between Czech Republic and EU was part of the so-called 'third generation' Europe Agreements, which included the membership perspective. Unlike in the original AA for the CSFR, and unlike in the case of the Polish or Hungarian AAs, a suspension clause was introduced which stated that the

EU could unilaterally suspend the AA in the case that the Copenhagen criteria were breached. As Marek and Baun note at that time “a key issue was whether the Europe Agreements should contain a direct reference to the goal of EC membership. Such a reference was desired by Prague and the governments of the other CEECs, since they viewed association as a logical stepping-stone to full membership” (Marek and Baun, 2010:12).

The process of legal approximation – the harmonization of Czech national legislation to the EU’s *acquis communautaire* -- was intertwined with the parallel negotiations on EU membership. The phases for implementing the obligations from the AA were marked by certain benchmarks, especially in the process of liberalizing the economy along the four freedoms of the internal market and approximation of the *acquis*. The first phase of the association was concluded by January 2001,² and as of February 2002, the country moved into the second phase, delivering fully on legislation reform on the free movement of capital (European Commission, 2001). The accession negotiations were concluded at the 2002 Copenhagen summit; the Treaty of Accession was signed in April 2003 in Athens; and the Czech Republic became a member of the EU in May 2004. The association legal framework was gradually replaced by the full membership obligations.

The structured dialogue on implementing the AA with the EU was assured by the Association Council, consisting of representatives of the European Commission, EU Council, and the Czech government, the Association Committee; and eight sectoral sub-committees for technical discussions that met regularly from April 1995 until the end of 2002. For intergovernmental pillars (such as the EU’s Common Foreign and Security and Justice and Home Affairs), meetings were at the prime ministerial level. This practice was replaced by a special strategic partnership with individual countries and by the accession negotiations by March 1998. A Joint Parliamentary Committee, comprising representatives of the Czech and European Parliaments, also met regularly until April 2002.

² One of the benchmarks was for example the Protocol to the Europe Agreement on European Conformity Assessment (PECA), which had been in force since July 2001. It facilitated trade by extending recognition in the area of conformity assessment and the acceptance of industrial figures.

Legislative approximation was key to implementing the AA. The Czech Association Agreement contained the standard chapter on the approximation of laws: Articles 69-71 -- the obligation to align existing and future legislation to that of the EU as a major precondition for economic integration. In 1993 and 1994, the government issued resolutions on the responsibilities of ministries to fulfil the obligations of the AA (Landova, 2006: 43) and to ensure legislative enlightenment in their respective fields. The documents indicated a timeline for the reforms, which for various reasons -- some political (Landova, 2006) -- was not fulfilled. The whole process of legislative alignment did not begin systematically until 1998, after which followed six years of a 'legislative hurricane.' (Landova, 2006) In 1994, the role of coordinating legislative alignment was assigned to the Office for Legislation and Public Administration at the Office of the Government, except for alignment with EU technical norms, which was assigned to the Office for Standardization. Within the Office for Legislation and Public Administration, a specialized Department of Compatibility with EU Law was created, and similar specialized departments were established in most of the line ministries.³ Special coordination bodies responsible for dealing with the fulfilment of the AA obligations and for negotiations with the EU were also created. These were the government's Committee for European Integration (at the level of the PM and relevant ministers, with irregular participation of some of the line ministers, the Governor of the National Bank, and the Chairman of the Czech Statistical Office), the Working Committee for the Implementation of the Europe Agreement (an inter-ministerial group of high-level civil servants chaired by the deputy foreign minister), and expert working groups staffed by representatives from the line ministries and relevant public bodies, created to prepare recommendations. In total, 22 expert working groups were created in line with the content of the chapters of the AA, each with an assigned line ministry as its coordinator.⁴ The Department of Compatibility was transferred in 1996 to the Ministry of Justice, which assumed a special coordination role for legislative alignment, and was supposed to oversee the proper

³ Some ministries tasked the departments for international relations for handling alignment issues.

⁴ The Ministry of Economy had no special role; it was assigned to coordinate the expert groups under its competences to the largest extent, e.g. EG Free movement of services and entrepreneurship, EG Economic, monetary and financial policies (co-chairing), EG Regional policy, EG Information, communication and telecommunication (co-chairing), EG PHARE. See: Usneseni vlady Ceske republiky ze dne 9. listopadu c. 631/1994, <https://isap.vlada.cz/Dul/CESTY.NSF/91b9f824a0923e3bc1256dde0052230a/5a190183a49c48d5c12563b10005d111?OpenDocument> (Accessed September 10, 2014).

transposition of the AA obligations. However, the Ministry of Justice resisted taking over responsibility for legislative alignment in the fields beyond its competences, as there were no mechanisms in place to assure the coordination primacy of the ministry over the other line ministries. The coordination responsibility was thus removed from the Ministry of Justice, and in March 1999, the Department of Compatibility was transferred to the Office of the Government. Although substantially delayed, the executive was able to put in place the proper coordination mechanisms; an effective legislative process, however, was another issue.

The government was responsible for aligning the country's laws with EU legislation and for the overall implementation of the AA; despite the fact that Parliament maintained certain control over the process, it was clear that the executive and bureaucracy gained substantial power. On the other hand, the standard legislative process was very lengthy, and the standard procedures did not envisage for 'legislative urgency' that would allow for speedy alignment. Several attempts were made to change the legal basis of the Czech legislative process for this purpose, (Landova, 2006) including an amendment to the Constitution presented in 1999 allowing the government to issue special regulation on the same basis as a regular law, but without the *a priori* authorization from Parliament in the domains falling under the AA. Under the amendment, Parliament would have 30 days to approve or oppose the regulation; if it opposes, the regulation would undergo the standard legal process. The proposal was, however, rejected by the parliament, which accused the government of attempting to take over legislative power, a sensitive issue during the process of transition to democracy (Landova, p.36).

The Constitution was eventually amended in 2001 to accommodate for the obligations stemming from international and EU law, and codified the government's duty to inform Parliament regularly about the issues related to the country's membership in the EU. No specific legislative procedure was stipulated (Ustavni zakon, 2001). When unsuccessful with the constitutional amendment, the government suggested modifying the Rules of Procedure of the Chamber of Deputies, to facilitate a faster mechanism to deal with legislative alignment. Act no. 47/2000 Coll. provided for a streamlined single-reading procedure in the Chamber of Deputies, but not specifically for EU alignment. It was introduced for all legislative proposals. The lower

Chamber, however, proved reluctant to apply the act on any legislative draft (Landova, 2006). None of the attempts to change the legal basis of the legislative process were successful, unlike in Slovakia, which adopted a constitutional amendment in line with the 1999 Czech proposal, and gradually improved in its alignment efforts, especially in comparison to the Czech Republic.

In the absence of accelerated parliamentary procedure, the government looked for other ways to assure a quicker process for legislative amendment. It required all ministries to send draft alignment legislation to the political clubs in the lower parliamentary Chamber, hoping that early access to information via the clubs would make the deputies more cautious when suggesting amendments. They would also attach a full list of EU legislation related to the respective draft law (ibid.) to increase deputies' sensitivity towards the process. In 2000, the government established a system for classifying the alignment legislation; all reports accompanying proposed legislation included a comparative table with references to all relevant domestic and EU provisions. Since 2000, the draft legislation was also consulted *a priori* the government's approval with the European Integration Committee of the lower Chamber. A similar committee was also established in the Senate (upper Chamber), but no preliminary consultations were in place.

As to the coordination of responsibilities between the government and the line ministries, in the early stage, the government only required the ministries to establish consistency between their draft laws and EU laws. There was no active monitoring or audit of compliance. In 1993-1994, however, via resolution 522/1993 the government stipulated the line ministries' responsibility to fulfil the obligations of the AA. In 1995, the EU published a White Paper as the first guideline list of EU legislation. Two sets of methodological guidelines for legislative approximation and its monitoring were adopted in 1997 and then in 1999 by the Czech Government (Landova, 2006). The Department of Compatibility with EU Law developed a monitoring database for legal approximation -- ISAP -- in 1995. Despite some technical flaws, it proved to be a useful tool for monitoring legislative alignment and for translating EU legislation. Systematic monitoring, however, began only in 1998, when the EU did an initial screening of

Czech legislation, based on EU accession requirements.⁵ The government had to identify the most significant deficiencies and propose remedies. The first regular evaluation report prepared by the European Commission was published in October 1998 and exposed numerous inadequacies, not only in the field of legislative alignment, but also structural and institutional flaws. It also contained chapters on implementing the AA. Follow-up evaluation reports by the European Commission were published in October 1999, November 2000, November 2001, and October 2002 (European Commission, 2002).

Traditionally, Czech legislation is designed and applied in a rigid way, with detailed wording that usually does not allow for various interpretations. When implementing the AA and later on the accession obligations, there were not only problems with the legislative alignment itself (in terms of wording of the law), but also with the enforcement of the adopted legislation in compliance with EU standards. Effective enforcement of the harmonized legislation is a key issue for the European Commission. The lack of effective enforcement was criticized regarding environmental legislation (Miko et.al. 1998), but in other policy areas too, such as in public procurement, customs administration, the fight against organised crime, or organisation of a common market and data collection (namely in the years 1999-2000). Enforcement procedures were often vaguely defined within the legislation, with the appropriate sanctions often entirely missing from the legal texts, leaving the enforcement bodies without relevant competencies. In combination with the quantitative and qualitative deficiencies of the Czech public administration (lack of experience, weak coordination across all levels of public administration, limited human resources), the effectiveness of the legislation enforcement was rather low, (Ibid.) burdened with many procedural and formal mistakes.

The competence and effectiveness of the Czech public administration was an important factor in the implementation process. In the early 1990s, working in the public administration was not an attractive career track. Besides the low pay, those jobs were associated with high politicization, especially at the central level. There was also strong competition from the rapidly developing private sector in attracting young professionals with good language training.

⁵ The exercise took place in connection with the opening of the accession negotiations with the EU.

Opportunities increased with the AA process, and later the accession process and EU membership (for travel, use of languages, etc.). For various reasons, the reform of the public service was not fully embraced by Czech politicians and was used as a political card, with frequent changes of personnel in the line ministries. There were efforts to reform the public service starting in 1991, but the draft law was not launched into the legislative process. As mentioned in the European Commission report in 1998, Czech Republic still regrettably made little progress in the administrative field. Absence of civil service law, lack of civil service-wide training and attention to the issue was among the problems, however, on the other side resolution adopted in 1998 regarding the timetable for the reform of public administration was considered as a substantial development (European Commission, 1998: 36). The debate was ongoing even until 2002 when, after pressure from the EU, the Law on Civil Service was adopted with the core provisions coming into effect in 2004. Officially, the lack of reform was because of budgetary reasons; however many commentators agreed that the real reason was political parties' fear of losing control over the executive. The current government in office was elected on the promise to adopt the law on public administration. The draft law was still in the legislative process by the end of 2014. The instability of the unreformed public administration caused fluctuations that hurt institutional memory, particular regarding drafting policy and law.

In the early stages of implementation, there was the absence of official translations of related legislation into Czech. It posed a challenge, as the most experienced legislative experts were usually not trained in foreign languages and therefore had to rely on preliminary translations and support from their junior colleagues. Around 1994, various departments of government and line ministries began to commission translations of the EU related legislation. There were no standard guidelines or coordination. The quality of translations was not very high and the approach was 'chaotic' (Landova, 2006).

The AA provided a framework for "aid for translating legislation in the relevant sectors." (Article 71 of the European Agreement) In 1998, the government approved a translation project and established a specialized unit in the Ministry of Justice in charge of translation -- the Coordination and Revision Centre -- which was part of the Department of Compatibility and

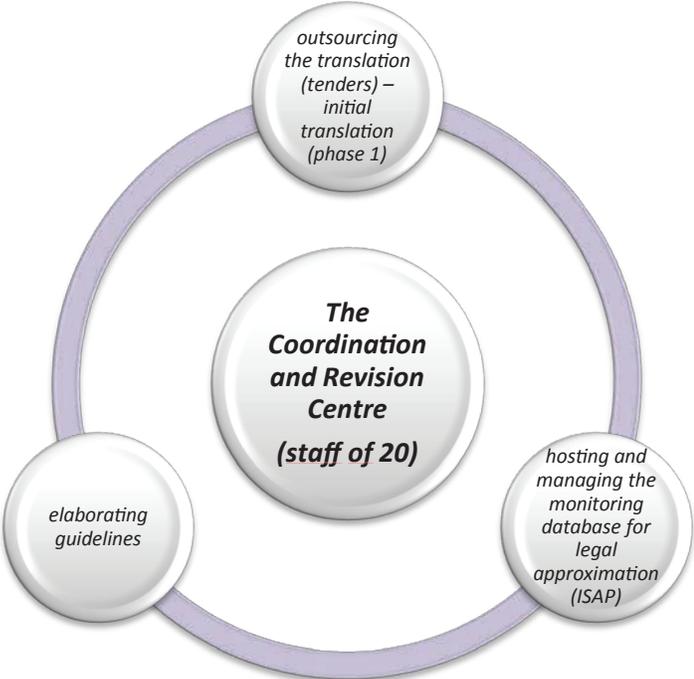
then transferred to the Office of the Government. The centre⁶ was staffed with 20 people. Even with outsourcing a large part of the relevant *acquis* for translation, it was overwhelmed with work. The EU institutions did not provide any guidelines for translations, which would have been a mechanism for swifter work. The guidelines were elaborated by the Centre itself, based on the Swedish model and with some input from the EU institutions. Likewise, the Czech guidelines were consequently used in Romania during their accession process. The monitoring database for legal approximation, ISAP, provided access to all translations and terminology. There was no tentative list of the complete legislation to be translated within a mid-term outlook, and in the course of the association and accession process, a lot of EU legislation was modified or abolished. As such, lot of effort was wasted on translating norms that were no longer in effect on the day of the EU accession in May 2004, which could have been prevented by closer coordination with the EU regarding their legislative plans.

Chart 1: System of Coordination of the Translation of Acquis (1999)



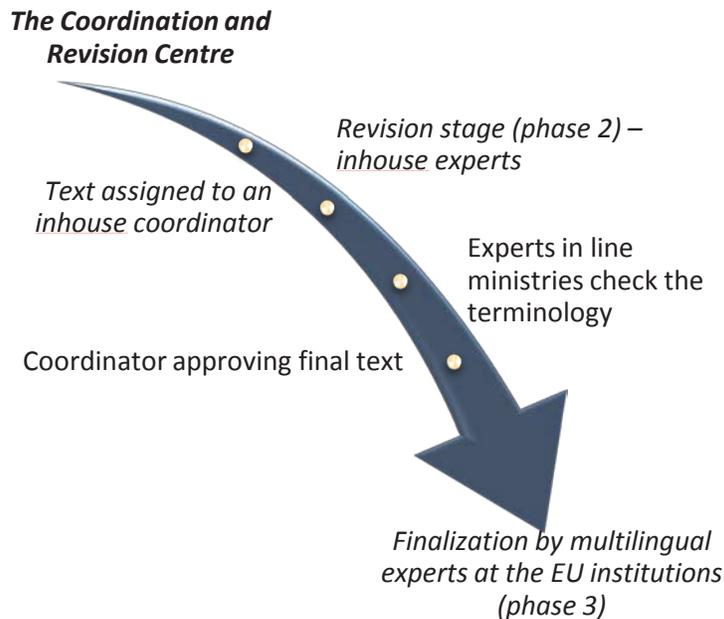
⁶ The Centre and the outsourcing of translations were funded by PHARE.

Chart 2: System of Coordination of the Translation of Acquis (1999)



The translation process itself ran in three consecutive stages: First, the texts were given to an outsourcing agency for initial translation; the quality of delivered translations varied. Second, the revision stage: The in-house experts of the Centre (lawyers, economists, linguists) corrected the terminology and consequently, the text was assigned to a coordinator who contacted relevant experts in the line ministries for consultations on the terminology. The coordinators were responsible for approving the final text. Third: Finalization with linguistic experts in the respective EU institutions. The key decisions in the jurisprudence of the European Court of Justice were translated in this way, with many key judgements still untranslated on the day of EU accession.

Chart 3: Translation Process of the Acquis (1999)



As to the problems encountered: The Office of the Government launched a tender for translation services of the *acquis*, but omitted to incorporate the translation memory/terminological database into the contract as part of delivered outputs. In order to facilitate ongoing compliance with standard terminology in the translations process, it is necessary to keep and centralize all pieces of translation memory and terminological databases. Another issue was the lack of coordination between the Office of the Government and the Ministry of Foreign Affairs, which was responsible for translating the international treaties and agreements. As the EU documents could fall under a wide definition, there were parallel translations of the same documents, with mismatched terminology and content.

Lessons learnt:

- Based on the Czech experience, the creation of the Department of Compatibility with EU Law at the Office of the Government proved to be a good practice. It was a central body tasked with controlling the draft legislation coming from the line ministries, checking for compliance with the relevant EU *acquis* and contractual obligations, managing the

process of comments, providing opinions to the government, and overseeing the implementation.

- The legislative process needs to be professional and less political regarding expert issues of the AA. There should be an open procedure for experts and general public to contribute to the draft laws, in order to create a better sense of ownership and involvement. Where necessary, a strong link to monitoring obligations and sanction mechanisms should be incorporated into the law.
- In order to increase effectiveness of the public administration and strengthen its capacities, it is advisable to adopt an apolitical law on public administration, which clearly defines the internal processes of appointments and a merit-based system of promotion. It is also advisable to identify gaps in capacities to enforce the AA-related legislation and to start capacity-building projects in the identified areas.

The process of translation of the *acquis* was tested in the 2004 and 2007 rounds of EU enlargements, and the experiences should be shared. It is necessary to set up a coordinating structure with competences towards other parts of public administration that might be involved (such as the Ministry of Foreign Affairs) in order to prevent overlaps in work and mismatched terminology. A central database for monitoring, terminology, and translation memory should be established and made accessible to all relevant actors. When outsourcing the translations, the related public procurement and tenders should reflect all details of the process in the contract for services to be delivered.

Public communication strategy

In the beginning, there wasn't a communications strategy for the public during the process of EU association. The AA negotiations were mentioned by Czech media, but within the context of wider societal changes, and the process of its implementation was rarely followed. In 1997, the government's Committee for European Integration created a communication strategy about the key aspects of the EU integration process. The MFA was tasked with implementing the

strategy. Until July 2001, the chief negotiator at the MFA led regular briefings for journalists about the accession negotiations. A limited budget was allocated for public events and discussions for a wider audience about the issue; the budget was mostly consumed for the events staged by the chief negotiator and his team across the country. The events usually took the form of a public debate, accompanied by a musical show. Communication with the media mostly focused on emphasising isolated successes in accession negotiations. The lack of public involvement at this stage had an impact on Czech public discourse on the EU, and is probably one of the reasons why the public lacked a sense of ownership over the accession process and EU membership. The wide support towards for EU membership, as manifested in the accession referendum of June 2003, was not based on comprehensive public debate about the challenges and benefits, but rather on emotions and perceptions (such as the 'Return to Europe' discourse). As a result, later on the Eurosceptic discourse advocated by major public figures (such as former president Vaclav Klaus) was easily able to take over mainstream Czech public discourse.

In July 2001 an inter-ministerial coordination group for a EU accession communication strategy was set up, under the leadership of the MFA's Department of Communication Strategies. In April 2002, an information campaign about the June 2003 referendum for EU accession was launched. As well, four polling agencies conducted a series of opinion polls determining the structure of the electorate (Balik, 2003). However, the information about various target groups and their voting preferences (such as students, pensioners) was not used for delivering specific messages to selected audiences. The campaign cost 200 million CZK (approximately 7.5 million EUR) for billboards, posters, TV and radio spots, delivering information leaflets to households, and organising over 300 public debates in the regions. It was, however, later criticized as persuasive, rather than informative, and pro-EU biased. Criticism came from newly inaugurated President Vaclav Klaus, who was also the leader of a major opposition party, and later from Prime Minister Mirek Topolánek as well. Czech Euro-sceptics from various organisations (such as the Eurosceptic Alliance) criticized that public funding was dedicated only to the "Yes" camp, whereas the "No" camp did not receiving any financial assistance from the authorities, and pledged to challenge the result of the referendum in the Constitutional Court. It is noteworthy

that the project proposals of Eurosceptic NGOs like *Liberani institute*, *Liga obcanske sebeobrany*, *Narodni strana*, and *Obcane proti EU* were not selected in the call for awareness raising projects by the MFA Department (Balik, 2003).

In March 2004, the MFA elaborated a Communication Strategy of the Czech Republic after EU Accession, based on experiences from the pre-referendum campaign and foreign experts' recommendations. The coordination and implementation role rested with the Ministry of Foreign Affairs (Government Decision No 240, 2004). In 2004, the EU delegation in the country opened the European House, which has been since serving as an information point and place of regular debates on EU issues and policies.⁷ In May 2005, in relation to the information campaign on the EU Constitutional Treaty, it was decided to transfer the agenda and coordination role to the Office of the Government and its newly created European Affairs Information Department. Officially, the government declared that after accession, EU affairs are no longer foreign policy but a substantive domestic agenda, which, as such, must be thoroughly communicated to the public. In reality, a turf war over the issue started between the ruling coalition parties, the MFA, and the Office of the Government.

Concentrating information tools and resources within the Office of the Government proved a better working model. The European Affairs Information Department created an Integrated Information System⁸ based on the website Euroskop, a network consisting of 13 regional Eurocenters and a free hotline for general information enquiries on the EU – the Eurofon. The Department also organized conferences and seminars and played an important role in communicating the Czech 2009 Presidency in the EU Council, by publicizing substantive research and giving funding for awareness-raising to Czech CSOs via calls for grants and tenders. Its work is scrutinized by consultative bodies consisting of two working groups which involve representatives of line ministries, regional councils and municipalities, civil society,

⁷ Since 2009, the Office of the Government has cooperated with the Delegation of the European Commission in the Czech Republic within so-called Strategic Partnership. The EU Delegation also organised trips for journalists to the EU institutions in Brussels.

⁸ Based on Government Resolution No. 208 of March 23, 2011, the Integrated Information System is closely cooperating with the Ministry of Regional Development. The Ministry participates in the development of the Eurocenters and the Eurofon.

academia, and communication experts, who provide feedback and evaluation of the communication activities. Every year, the Department creates a 'Strategic Plan on EU Affairs and Communication in the Czech Republic,' which establishes communication priorities for the government in the field of European affairs. The Department also administers the EU program 'Europe for Citizens in the Czech Republic,' from which local municipalities and CSOs can get funding for awareness-raising projects, which are an important element in the communication efforts.

Lessons learnt

- The politicians' and negotiators' lack of outreach to citizens on the integration process was the weakest aspect in communicating the association and accession process. Likewise, the Parliament had limited agency to catalyse public deliberation on EU accession. It allowed for Eurosceptic discourse, led by various elites, to eventually prevail in the public and media space.
- The Communication Strategy during before the 2003 referendum focused on mobilizing public support for EU membership through a one-way awareness-raising campaign, treating other stakeholders (such as civil society, academia) as 'multipliers' of the message, and with poorly defined target groups. It did not foster public debate on the strategic issues and concerns related to EU membership.
- After the initial problems with the institutional setting, concentrating information tools and resources within the Office of the Government proved to be a good working model, with a more structured model for controlling public money for communication on EU-related issues.

Economic issues becoming political

Economic issues associated with EU accession often turned political. The EU approximation meant that industry needed to comply with EU competition rules and policies. In the case of state-owned companies with 'golden shares'⁹ in the possession of the state and/or with a guaranteed monopoly on the market, it was the government that negotiated with the European Commission the terms and transition periods to comply with the EU internal market rules, following mostly the interests of political parties, as the state-owned companies are often a source of party funding. In the Czech Republic, the privatisation process resulted in the introduction of special shares in about 100 companies. Companies with special rights spanned across all sectors of the economy, namely in pharmaceuticals and medical equipment, cinema, publishing, electricity and gas distribution, and the water and sewage sectors. During the pre-accession screening, the Czech Republic eliminated all but 37 cases and set a deadline for phasing out most of the remaining special rights.¹⁰

Impact on the sugar processing industry

The implementation of the *acquis* and the way the Czech government negotiated with the EU counterparts had a significant impact on the sugar processing industry in the Czech Republic. One of the key issues during the accession negotiations was the chapter on agriculture (approximately 40,000 pages of the *acquis*). The terms and conditions for the Czech sugar industry were negotiated without specific knowledge of the content of the upcoming Common

⁹ The golden share is a tool that some governments use to retain control over certain decisions in privatised companies. Typically, special rights allow the government to veto or hinder changes in the ownership structure of the enterprise or its management, and as such, they can interfere with the right of an investor to take a stake in an EU company and participate effectively in its management or in its control as established by the EU Treaties.

¹⁰ Especially for a cluster of 29 regional waterworks and sewage utility companies, as well as *Cesky Telecom* (privatised in April 2005), *Hřebcín Napajedla*, a stud-farm company, Jan Becher-Karlovarska Becherovka, a traditional drink production company (11 % state-owned), *Plzensky Prazdroj* and *Budejovicky Budvar* (breweries), the Czech ports company and *Ustav jaderneho vyzkumu Rez*, a company active in the nuclear field (European Commission, 2005).

Agriculture Policy (CAP) reform, without any data, and with clear signs that the EU was trying to save resources at the expense of the in-coming members.

Sugar manufacturing was traditionally a strong economic segment in the Czech Republic. As Czech agriculture went through the demanding process of privatization and restructuring in 1989-1993, the transition to a free market had a hard impact on the Czech sugar industry. Despite foreign investments, the sugar processing industry lagged behind Western Europe, both in terms of production and market conditions. The regulation of the Czech sugar market started in 1999 with the EU association and accession process, setting quotas on production as well as protection of national producers and intervention prices. All parameters were based on domestic consumption. The government decision No. 51/2000 codified new parameters, including a basic production quota of 380,000 tons, and an export quota of 95,000 tons. Only the strategic producers were allowed to re-distribute the quotas. In order to be considered a strategic producer, a company had to produce 10,000 tons of sugar annually in the Czech Republic over the course of five years. Smaller plants could apply for the individual quota of 19,000 tons for the national market, and 4,750 tons for exports. However, the government's decision with the new quota system was challenged by a small producer at the Constitutional Court for breaching the free market conditions, and was invalidated. The Ministry of Agriculture argued by the EU practice, but the Constitutional Court stated no legal grounds in the *acquis* for such a regulation.

In order to deliver EU standards, the Ministry of Agriculture developed a new legal framework and tools related to the new law on National Agriculture Intervention Fund, which was entitled to regulate the domestic market of agriculture commodities. New quotas were imposed on sugar producers, with the maximum combined production totalling 505,000 tons per year. The European Commission evaluated the system to be in compliance. However, the negotiations of the EU accession conditions became even further problematic for the Czech sugar producers. The main issues were the redistribution of quotas within the Common Organisation of Agricultural Markets and direct payments. Only at the 2002 EU Copenhagen summit was the issue settled, due to much pressure, with new member states receiving 25% of full subsidies in

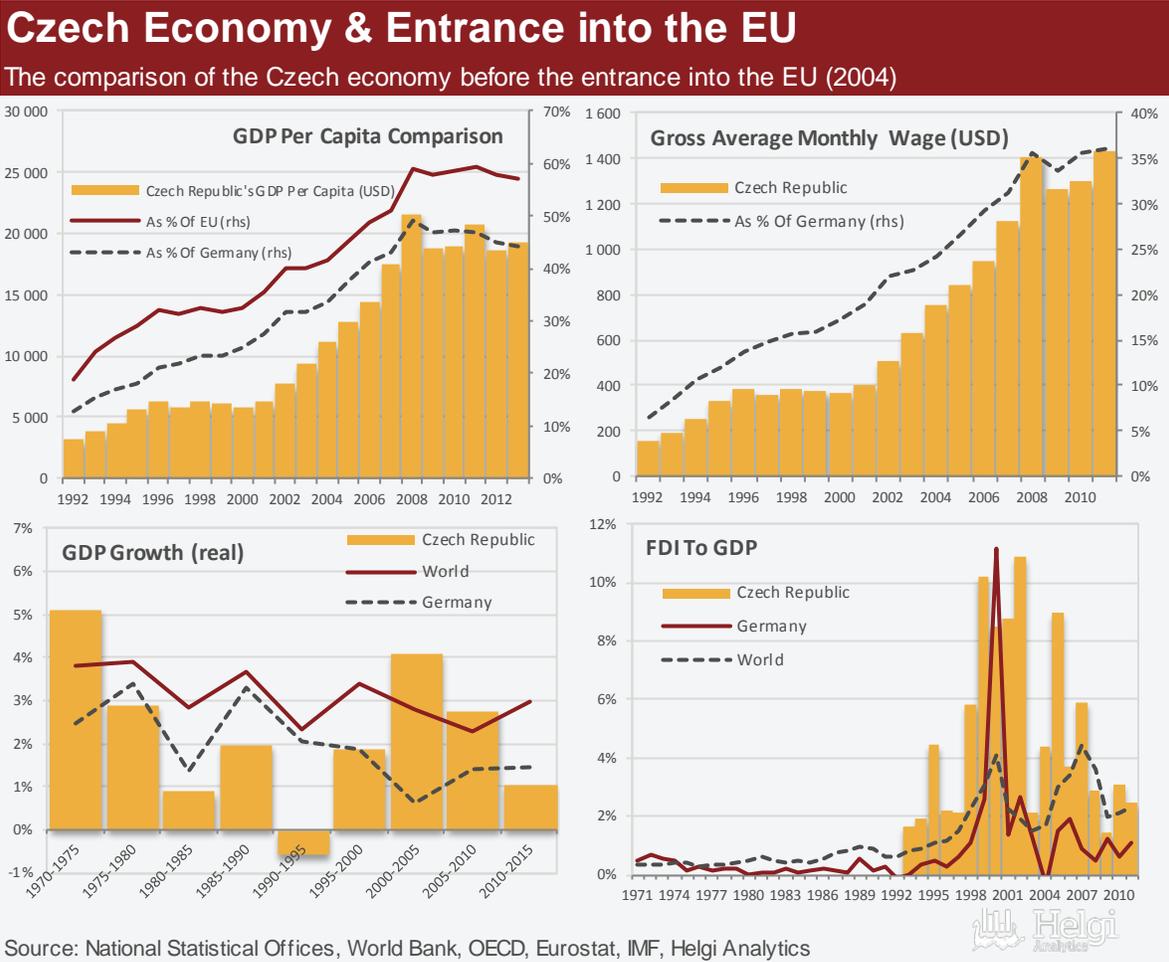
2005 and 30% in 2005 (a gradual phase-in). Also, the overall quota for the Czech sugar producers was set on 455,000 tons, which represented 2.6% of the EU total production, and placed the Czech Republic into the group of small producers. The Czech Republic tried to negotiate a larger export quota (quota category B), but only an additional 13,653 tons were allocated by the European Commission at the end, versus the 50,000 tons requested, as the accession negotiations were based on incorrect numbers stated in the Association Agreement. The Czech sugar producers disagreed to the new quotas, but were only informed about the result. Lack of communication with the producers, underestimation of preparations, complicated legal alignment with the EU *acquis* and practice, and the decision of the Constitutional Court led to the codification of unfavourable terms for the Czech producers in the Accession Treaty.

After the EU sugar reform in 2005-2007, brought about by pressure from the WTO, the Eastern sugar company (UK and German owners) which owned most of the Czech sugar processing industry at that time sold its production quota to the European Commission. The overall Czech quota was reduced by 22%, and the country went from being an exporter to an importer. After further subsidies from the European Commission for producers leaving the market, most of the Czech sugar producing plants was closed down.

Nevertheless, the economic benefits of EU accession were major carrots for the Czech public to support the decision, and were used by politicians to sell the policy. Despite some negative predictions that the EU accession would trigger inflation, high unemployment, and the liquidation of Czech companies, the data proved otherwise. In 2003, 66.38% of Czech exports went to the EU-15, and grew after accession. The country witnessed a steady increase in FDI with over 90% from EU countries. Pressure to comply with EU regulations sped up economic modernization and innovation processes. Unemployment, which was 7-8% before accession in 2004, decreased to 4.4% in 2008. Due to the transition period on free movement of workers imposed by most EU members after accession (of seven years), there was low work force outflow. Living standards rose, so that after the ban was lifted, not many Czech citizens left the country in search of jobs. The association and accession processes brought enhanced consumer

protection, better protection of intellectual property rights, the elimination of double certification, and the removal of trade barriers; it also brought higher costs for industries thanks to EU environmental standards, and stricter labour laws with higher costs for employers, assuring quality working environment and safety. Czech Republic had undertaken substantial reforms in order to transform economy. Overall, economic performance significantly improved, stability has been achieved and commitment to the economic requirements for the accession has been maintained. Before accession Czech Republic was evaluated to be a functioning market economy enabling it to face with the competition and subsequent competition pressure (European Commission, 2002: 48).

Table 1: Impact of the EU association and accession process on the Czech economy



Lessons learnt

- The economically sensitive issues usually became political. The cases of state-owned companies with 'golden' shares' in state possession and/or with a guaranteed monopoly over the market were prone to cause problems in negotiations with the European Commission and the terms for these companies in complying with EU internal market rules.

Conclusion

The key to a successful implementation of the contractual obligations with the EU is legislative approximation and effective enforcement of the codified regulatory framework, which requires well-trained and dedicated civil servants. Most of the EU member states that joined the Union in 2004 experienced similar problems and faced them with different levels of success. The Czech Republic managed to streamline its legislative process and organize itself to comply with the enormous task of aligning the domestic legal framework with the *acquis* on time. The political elite misjudged the importance of communication with the public about the EU accession process; current Czech discourse on EU politics and issues suffers from these earlier mistakes.

The following good practices can be recommended:

- Based on the Czech experience, the creation of the Department of Compatibility with EU Law at the Office of the Government proved to be a good practice. It was a central body tasked with controlling the draft legislation coming from the line ministries, checking for compliance with the relevant EU *acquis* and contractual obligations, managing the process of comments, providing opinions to the government, and overseeing the implementation
- In order to increase effectiveness of the public administration and strengthen its capacities, it is advisable to adopt an apolitical law on public administration, which clearly defines the internal processes of appointments and a merit-based system of

promotion. It is also advisable to identify gaps in capacities to enforce the AA-related legislation and to start capacity-building projects in the identified areas.

- The process of translating the *acquis* was tested in the 2004 and 2007 rounds of EU enlargements, and the experiences should be shared. It is necessary to set up a coordinating structure with competences towards other parts of public administration that might be involved (such as the Ministry of Foreign Affairs) in order to prevent overlaps in work and mismatched terminology. A central database for monitoring, terminology, and translation memory should be established and made accessible to all relevant actors. When outsourcing the translations, the related public procurement and tenders should reflect all details of the process in the contract for services to be delivered.
- Concentrating information tools and resources within the Office of the Government proved to be a good working model for communication with the public. It was also a well-structured model for controlling public money used for communication on EU-related issues.

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Chapter 3

The coordination of European policies in the V4 countries: the case of Hungary

Zoltán Gálik

Overview

After a long period of transition and negotiations, Hungary became a full member of the European Union on the May 1, 2004. Although the country's relationship with European community goes back many decades, Europe and the European Union have been central to Hungarian foreign policy since 1990.

After the collapse of the socialist system, Hungary quickly changed its foreign policy orientation. Among the three main objectives of Hungarian foreign policy -- Euro-Atlantic integration, good relations with its neighbors, and support for Hungarian ethnic communities across the borders - Europe has always been a decisive factor. The scope of Euro-Atlantic integration was easily defined and meant full membership in both the EU and NATO. Questions about membership in the two institutions closely related to each other. The security framework of Europe drastically changed in the beginning of the 1990s. Debates about the survival of NATO and new tasks it would have were ongoing; the role of the Western European Union was not clear; and the role of the EU in the security landscape was also not finalized. Hungary became an associate member of the WEU in Rome in 1992. Associate membership in the WEU was created for countries that were members of NATO, or aspiring for NATO membership, but were not member of the EU (for Hungary, Czech Republic, Iceland, Norway, Poland, and Turkey).

Political stability and consensus for integration

Euro-Atlantic integration was unquestionably among the top priorities for the four governments in office between 1990 and 2004. Hungary had one of the most stable political systems among the Central and Eastern European countries. All elected governments of Hungary fulfilled their terms and there were no changes in the country's foreign policy priorities. EU membership was seen as the guarantee of consolidating the democratic system of Poland and proved the irreversibility of the transformation process through tightening the links between Poland and EU member states (Pyszna, 2002:10). The government of József Antal (Hungarian Democratic Forum, MDF - The Alliance of Free Democrats, SZDSZ, 1990-1993) laid down the path towards European integration and negotiated the Association Agreement. After the death of Prime Minister Antal in December 1993, his successor Péter Boros applied for EU membership. Between 1994 and 1998, the Hungarian Socialist Party formed the government with Gyula Horn as the Prime Minister. The Socialist Party was a pro-integration, pro-western party, and during its years in power, Hungary implemented the main provisions of the association agreement, negotiated the framework for the accession process, and began talks in March 1998. Moreover, as evaluated by the European Commission the 1997 Constitution had proved to be a stabilizing factor in proper functioning of the country's institutions on the way towards accession (European Commission, 1999:12).

Viktor Orbán's first government (Alliance of Young Democrats, FIDESZ, the Christian Democratic People's Party KDNP, the Independent Smallholders' Party, FKGP) was in charge of conducting the membership negotiations with the European Union. The aims of Euro-Atlantic integration were partially met in March 1999 when Hungary became a member of NATO. The government of Péter Medgyessy (the Hungarian Socialist Party) finalized the negotiations and signed the Treaty of Accession at the Athens Summit, on April 16, 2003.

As for political stability and consensus behind Euro-Atlantic integration, all the governments fully supported European integration, and public opinion towards EU membership was

constantly supportive. The first voices that were critical of the EU came with the establishment of the radical, nationalist, far-right MIÉP (Hungarian Justice and Life Party) in 1993.

Eagerness to join quickly

The aim of Hungarian foreign policy was full membership in the European Union with equal status as other member states. The long road to accession took almost fourteen years, which was not envisioned when the process started in 1990. During this time, Hungary, among the other aspiring Central-Eastern countries, hoped that the accession would happen earlier, in the 1990s. Since Hungary was also intending to join NATO membership, the big question was whether EU membership would come first, whether it would coincide with NATO membership, or if it would follow NATO membership. NATO decisions-makers debated whether the EU's political conditions, envisaged in the Copenhagen Criteria, would create a more sophisticated framework for NATO membership as well, since NATO lacked the necessary political condition mechanisms. Finally the question of membership was decided when NATO launched the mission in Yugoslavia and quickly accepted Hungary, Poland, and the Czech Republic on 12 March, 1999.

Speedy EU membership was a top priority for Hungary. Early debates concentrated on whether it would be more beneficial for Hungary to fulfill the criteria on its own, and go on the road to membership alone, or wait for the others in the region and create a block position. In the first three years after the accession agreement was signed in 1991, Hungary, the Czech Republic, and Poland were clearly seen by the EU as possible candidates. The main concern was whether things could become more complex if Poland was unable to transform its agricultural system to meet EU standards in time. Although transformation was painful for Hungary, the Poland question prompted Hungarian decision makers to deliberate on whether to follow the go-at-it-alone option.

After 1995, Slovenia and Estonia joined the club of possible candidate countries. Fear grew that the increasing number of candidates would postpone Hungary's accession date: The higher number of candidate countries would mean they would not be able to fulfill the membership criteria all at the same time, while the EU member states might not be open to a "big bang" integration. Hungarian official position, therefore, at the end of 1990s was that the EU enlargement should have happened based on the differentiation between the candidate states. Those who were ready should have been granted the possibility to proceed with the accession negotiations, while those, who were lagging behind should have prepared better.

Historical trade links with the European Community

As part of the Soviet trading block, Hungary had little economic relations with Western Europe during the first three decades of the Cold War. Exports to the European countries comprised 10 percent of exports, and import did not exceed 11 percent at the beginning of the 1970s. It is in sharp contrast with the situation at the end of the '90s, where the same indicators are above 70 percent. During the 1950s and 1960s the goods coming from the EC were primarily intended as a plug to shortage in certain areas of the Hungarian economy. The first official relations with the EEC were established in 1967. Hungary agreed that it would not export certain types of beef, wine and cheese products to the EC for a lower price than the relevant prices in the European Community. Hungary became a member of the General Agreement on Tariffs and Trade (GATT) in 1973, in the hope that the membership would offer more concessions to foreign countries reciprocally. Although the GATT membership entailed certain terms, Hungary's economy was still state-controlled, and the EC did not realign its policy towards the country until 1989. Hungary and the EC signed sectoral agreements during the '70s and the '80s. The intention behind these agreements was similar to the ones a decade earlier - to abolish trade restrictions in exchange for price, quantity, and export limitations. The three sectoral agreements included steel and textile, industrial products and agriculture (sheep meat and goat meat). Besides the bilateral talks, Hungary conducted multilateral talks with the EC as a

member of the COMECON. In 1982, the EC-COMECON talks were suspended, and Hungary tried again to improve bilateral relations without significant success.

The first big breakthrough in relations between Hungary and the European Community was in 1988, when a non-preferential agreement on commerce, trade, and co-operation was signed and diplomatic relations were established. The EEC/COMECON declaration of June 25, 1988 initiated bilateral treaties, trade, and cooperation agreements. The agreement was based on Article 133 of the Treaty of Rome and provided the progressive elimination of quantitative restrictions on Hungarian exports into EC countries, and access of EC products to Hungarian market. Agricultural products were excluded from the agreement. The first generation trade and cooperation agreement covered products already negotiated in the sectoral arrangements (coal, steel, textiles, clothing). The EC also gave Hungary the "Most Favored Nation" treatment and agreed on non-discrimination policies.

The G7 summit in 1989 asked the European Commission to provide financial, economic, and technical assistance to Hungary and Poland. The newly created PHARE program (Pologne - Hongrie Aide à la Reconstruction Économique / Poland and Hungary: Assistance for Restructuring their Economies) supported the transformation of the Hungarian economy from 1989 to 2006.

The EC decided in November 1989 that, ahead of the agreed timetable, it would abolish special customs duties on Hungarian products starting from January 1, 1990, and also suspended all non-specific quantitative restrictions. The European Community opened an EC diplomatic representation in Budapest in 1990. At the Council meeting in April 1990 in Dublin, the EC decided to begin negotiating association with Hungary, Czechoslovakia, and Poland. Talks begun in December 1990 and a draft version was initiated in November 1991.

The Hungarian Mission in Brussels was set up in 1990 and was then continuously extended. The mission was divided into three sections: The Political Section (justice and home affairs, public administration, European Parliament and press-relations, CFSP/ESDP, Stability Pact, social policy, employment, education, public health, culture, audio-visual policy, community

programs); the Community Policies Section (internal market, regional policy, agriculture and fisheries, free movement of labour, statistics, legal matters, TAIEX, transport, communication, environment protection, financial services, direct taxation, pre-accession funds); and the Industry and Trade Policy Section (trade and industrial policy, customs, agricultural trade, tourism, consumer protection).

A new generation of Association Agreements

European integration provided a new generation of Association Agreements for the Central and Eastern European countries. The primary aim of “Europe Agreements” was to provide a strong link between the EC and the associated countries, increase stability, and encourage and consolidate the reform process. The association agreements established political dialogue between the EU and the associated countries. The main pillars of the association agreements were the establishment of a free trade area in industrial products over a maximum period of ten years, and the gradual liberalization of the flow of services, labor, and capital.

Hungary signed the Association Agreement on December 16, 1991, and it entered into force on February 1, 1994. Between 1991 and 1994, an Interim agreement on trade policy was in effect. The EC and Hungary immediately eliminated some quotas and duties for less sensitive products, and negotiated and agreed on the elimination of quotas and duties for more sensitive products. The agreement was concluded on an asymmetrical basis as the EC agreed to reduce barriers to trade more rapidly than Hungary. The EC abolished quantitative restrictions on general industrial products in March 1992, but regulated trade through quotas and customs in the remaining industrial products. The EC completed its task in almost all sectors in 1996, and Hungary completed its task by 2000. Custom duties were eliminated in three rounds: in December 1994 (15 percent), December 1997 (40 percent), and December 2000 (100 percent). Fees and levies were abolished in three groups between 1995 and 1997. The original intention was to create a free trade zone by the end of 2000. The agreement also included special safeguard clauses for infant industries. It was later amended with further improvements and

more trading products were included, like textiles, clothing, and wine. The preamble of the agreement stated that the EC and Hungary recognized that the ultimate objective of the associated countries is to become members of the EC, but no explicit reference was made to full membership. Beyond the free trade agreement, the extension of economic cooperation included almost every significant sector the parties were interested in, such as “industrial cooperation, investment promotion and protection, standards, scientific and technological cooperation, training and education, cooperation on social affairs, regional development, small and medium sized enterprises, statistical cooperation, money laundering, drugs, environment, transport, telecommunications” (EU, 2014). Regarding textiles and clothing products, the establishment of a free trade system took longer, since the quantitative restrictions were only lifted in December 1997.

Agriculture was grossly neglected by the agreement, even though the industry was very important for Hungary. The EC only granted mutual preferences (which were later applied after the GATT’s Uruguay Round was finalized in 1995). Free trade was not deemed possible until full membership. The protocols of the Association Agreements on European Conformity Assessment entered into force in June 2001.

As for financial cooperation, Hungary received a 1 billion USD transitory loan from the EC in April 1990, to promote structural changes. During the Association Agreement period, three pre-accession instruments were available for aspiring countries. The PHARE program was established in 1989 for Hungary and Poland and was later expanded to ten countries (Bulgaria, Czech Republic, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia). Albania, Macedonia, and Bosnia-Herzegovina also became beneficiaries few years later. Hungary also qualified to receive grants from the European Investment Bank. The PHARE program helped the beneficiaries to strengthen public administration, promote convergence with the EU’s legislation, promote economic and social cohesion, develop infrastructure, develop HR programs, protect the environment, and develop public administration. Hungary benefited from the PHARE program with ECU 683.3 million between 1990 and 1997. The EU published the Agenda 2000 document after the EU Council meeting in Luxemburg in 1997, promising that it

would make additional funds available to the associate countries. Finally, the Council Meeting in Berlin in 1999 set up the SAPARD (Special Accession Program for Agriculture and Rural Development) and the ISPA (Instrument for Structural Policies for pre-Accession) programs. Hungary was allocated EUR 38.1 million from the SAPARD program and EUR 104 million from the ISPA funds.

During the association period, it was important for the associate countries to create their own free trade area system and to enable the free flow of goods among themselves. The Central European Free Trade Agreement (CEFTA) was signed by the Visegrád 4 countries on December 21, 1992, and came into force in July 1994. One of the primary aims of the CEFTA was to open up the economies of the former Soviet bloc countries to each other, creating a free trade area that could effectively be merged easier into the larger EU structure.¹¹

The impact and the effectiveness of the Association Agreement were certainly positive, although hard to measure. The implementation of the Europe Agreement significantly transformed the Hungarian economy. The external economic implications were high; economic openness with the EU grew significantly, as more than 70 percent of exports and imports were with the EU.¹² As for FDI, Hungary also played a leading role in attracting investments until the end of the 1990s.¹³ Germany, Austria, the US, the Netherlands, and the UK were among the biggest investors. The liberalization of trade towards a free trade area and customs union, political and economic stability, well-developed infrastructure, competitive labor costs and a skilled workforce made Hungary an easy choice for foreign investors.

Towards accession

The EU stated its intentions on enlargement at the 1993 Copenhagen meeting and set up the Copenhagen Criteria on political, economic, and legal approximation. Hungary submitted a

¹¹ The aspiring countries followed the same way as Portugal and Spain in 1983, or Ireland and the United Kingdom 1965.

¹² In 1989,1990,1991,2000: imports were 25%, 35%, 48%, 75%, respectively, and exports 25%, 32%, 44%, 72%

¹³ Suzuki, Ford, Audi, General Motors were among the biggest investors

membership application to the EU on March 31, 1994. The European Commission set up its assessment reports on the associate countries and prepared to create a report on the expected financial implications of the enlargement.

The European Council decided on additional membership criteria in December 1995, in Madrid. According to the decision, candidate countries must adjust their administrative structures and EC legislation must be reflected in their national legislation, and it should be effectively implemented through the administrative and judicial structures.

Finally, a questionnaire by the Commission was handed to the aspiring countries in April 1996. The questionnaire was 150 pages long with 1,500 questions, divided into 23 chapters. In Hungary, the State Secretariat for Integration in the Ministry of Foreign Affairs was responsible for coordinating the answers (Hargita 2012:256-261). Every chapter had its own coordinator who contacted the relevant ministries and institutions and asked for the relevant information. The answers were edited and translated by the MFA.¹⁴ The return “package” was 4,481 pages long and weighed 14.3 kg (Hargita 2012:260).

The Commission then evaluated the preparedness of the associate countries on a yearly basis and issued detailed *avis*. In July 1997, the *avis* to Hungary responded to the answers of the questionnaire and found that Hungary was ready to start the accession process. Later the EU published country-specific findings every November. For example, the European Commission concluded and evaluated that Poland could be considered as a functioning market economy (European Commission, 1998:13). The findings likewise were generally positive toward Hungary, but identified some delay in the institutional set up, mainly in the institutional system of the SAPARD program, and mentioned some problems with media regulation. The Luxemburg Council meeting in December 1997 finally decided on the framework in which the negotiations could start. Along with Hungary, Poland, the Czech Republic, Estonia, Slovenia, and Cyprus were included in the group and they started consultations to prepare for accession talks.

¹⁴ As Árpádné Hargitai notes, the translation sometimes took a long time, and it would have been better to prepare the basic materials directly in English.

The European Council decided in December 1999 in Helsinki that the negotiations would be extended to Slovakia, Latvia, Lithuania, and Malta. Hungary once again faced a dilemma whether the new round of negotiations would slow down its own timetable, since the four countries had to negotiate all the chapters while Hungary already completed some. In the end it did not cause much delay in the process.

The negotiations were closed in December 2003. The Treaty of Accession was signed in Athens, on April 16, 2004, and Hungary became a member of the EU on May 1, 2004.

Public opinion towards integration

Public opinion was almost consistently and overwhelmingly supportive of EU integration. Support ranged between 79 and 96 percent between 1991 and 2003 (Fölsz-Tóka 2006:150). Hungarians associated the EU with economic benefits, primarily with benefits of the free market economy, higher living standards, a stable business environment, a much greater choice of consumer goods, and greater export opportunities, especially in the field of agricultural goods. The political elite was continually committed to integration and shaped the public debate. In the 1990s, Hungary was seen as the leader of economic reforms among the former Soviet bloc, and was among the top three countries aspiring for EU membership.

Hungary held a referendum on EU membership on April 12, 2003. The level of support for EU membership was high: 83.7% (3,648,717 voters) voted for EU membership, with a turnout of 45.62% (OVI 2003).

As mentioned before, during the accession negotiations the government insisted that it would not accept a second class membership. However the Schröder-Chirac compromise in autumn 2002 made it clear that the EU was creating a kind of second class status for the candidates regarding agriculture, and another major setback was the restriction on labor mobility. This was very badly accepted by the Hungarian public, since Austria and Germany – which were large recipients of Hungarian migrant labor -- were against opening the borders for at least seven

years after accession. This “second class membership” and the fourteen-year-long wait for accession were the two factors that negatively influenced Hungarian public opinion about the EU membership.

Key actors and institutional set-up for implementation

The institutional framework for accession was set up between 1996 and 1998. The accession was managed by a professional executive while the government provided political oversight of the process. Setting up a Ministry of EU Affairs was not seriously considered. Instead during the accession negotiations, the Ministry of Foreign Affairs was the key institutional actor shaping Hungary’s key strategies. The Ministry of Foreign Affairs had the responsibility of coordinating the EU-Hungary talks, as well as coordinating the work of Hungarian institutional actors.

In the EU-Hungary Association Council meetings, the Minister of Foreign Affairs represented the government. Within the Ministry, the State Secretariat for Integration was created (from 1998, the head of the department was Péter Gottfried). The department was the center of the EU accession talks, as every integration-related question had to go through the department. It was responsible for coordinating government actions, and represented the government in lower level integration forums, namely in the Association Committee. The department coordinated the work on the negotiation positions and was in communication with the other ministries. After the accession talks began in 1998, the State Secretariat for Integration was reorganized and the General Department for EU Coordination was set up within it. In addition, there were six other departments within the State Secretariat for Integration: the Department for Economic Relations, Department for Harmonization, Department for Trade Policy, Department for Cooperation on Justice and Home Affairs, Department for Political Cooperation, and the Department for Assistance and Support.

The General Department for EU Coordination had the main role in the coordination field. From 2002, the State Secretariat for Integration was divided into the General Department for EU

Coordination and the EU Communication and Public Relations Department. In 2002 the Medgyessy government additionally gave the State Secretariat responsibility for external trade relations. The State Secretariat for Integration coordinated the preparation of position papers created by the relevant ministries. The ministries had to harmonize their inner conflicts and present one final version. The draft versions were discussed in the Inter-ministerial Committee for European Integration, which would propose changes, but final political decisions were made by the government.

The Ministry of Justice coordinated the legal processes in relation to EU accession. In accordance with the Association Agreement, legal harmonization began years before the accession talks. The role of the Minister of Justice was central to the harmonization process: "He/she puts together the national legal harmonization programme, monitors and promotes the implementation of this programme and provides for the theoretical and methodological coherence of the process. The Minister of Justice also has to ensure that all the Hungarian draft-laws and regulations as well as drafts of international treaties are compatible with the *acquis communautaire*. He/she also guarantees the coherence of translation of Community law into Hungarian." (Vida, 2002: 61).

Beside the Ministry of Foreign Affairs, all the other ministries worked together on EU integration related questions. Every ministry set up its own EU Department responsible for coordinating EU-related activities, such as preparing its ministry's involvement in the position papers. Following Hungary's official full member status request, the government set up the Inter-ministerial Committee for European Integration in 1994. The secretariat was provided by the General Department for EU Coordination in the Ministry of Foreign Affairs. Members of the Committee were the state and deputy state secretaries of the ministries, the Director of the Central Statistical Office, the Director of the Office of Economic Competition, the Administrative State Secretary of the Chancellery, Director of the Customs Office, and Head of the National Intelligence Service. The Committee had the right to create working groups, which were also responsible for discussing the different working papers. The Inter-ministerial Committee for European Integration was the highest-level consultative forum among the ministries. It did not

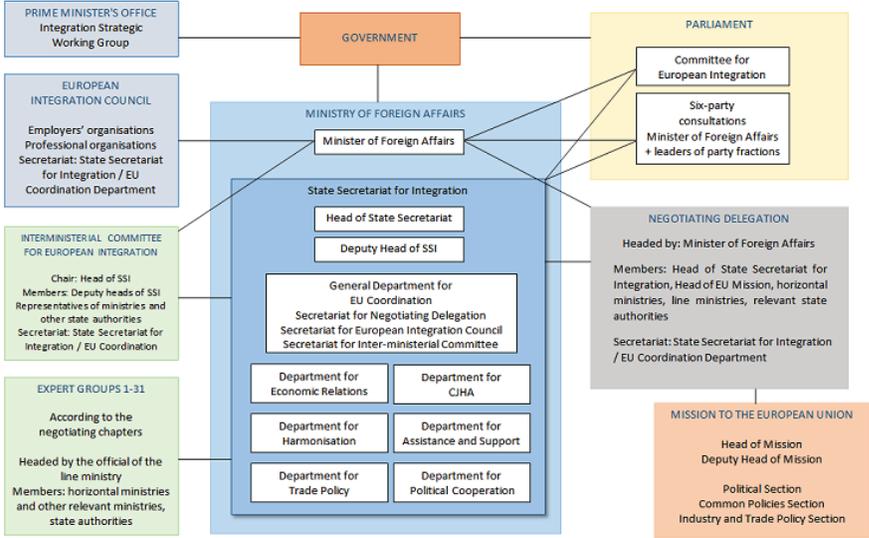
have decision-making ability, but it provided a forum for the different ministries and public servants to discuss the topics raised in the integration process.

Parliament created a Committee for European Integration in 1994. Although the Parliament scrutinized government's activity and was responsible for implementing the legal obligations from the association agreement, and for the harmonization of laws, it did not have direct involvement in the negotiations. The Committee for European Integration was tasked with: "[the] examination of any EU-related issue, law-initiation, putting forward [its] own proposals, opinions, and scrutinizing government activities. The Committee monitors the legal harmonization process, as well as the screening and negotiation process." (Vida 2002:63). The government continuously informed the parliament on the accession negotiations and the parliament held a plenary session on the negotiations once a year.

The negotiation delegation was headed by János Martonyi, Minister of Foreign Affairs. It included the head of the State Secretariat for Integration of the Ministry of Foreign Affairs, and the head of the Hungarian Mission to the EU in Brussels, Endre Juhász, who was the chief negotiator.¹⁵ The negotiation delegation was also composed of members of the Ministry of Justice, the Ministry of Finance, the Ministry of Economy and Transport, the Ministry of Agriculture and Rural Development, the Ministry of Environment, and the National Committee for Norms and Standards. As for the coordination of the accession negotiations, three main principles were introduced: ministerial responsibility, the leading role of the State Secretariat for Integration in the MFA, and the "single voice" method.

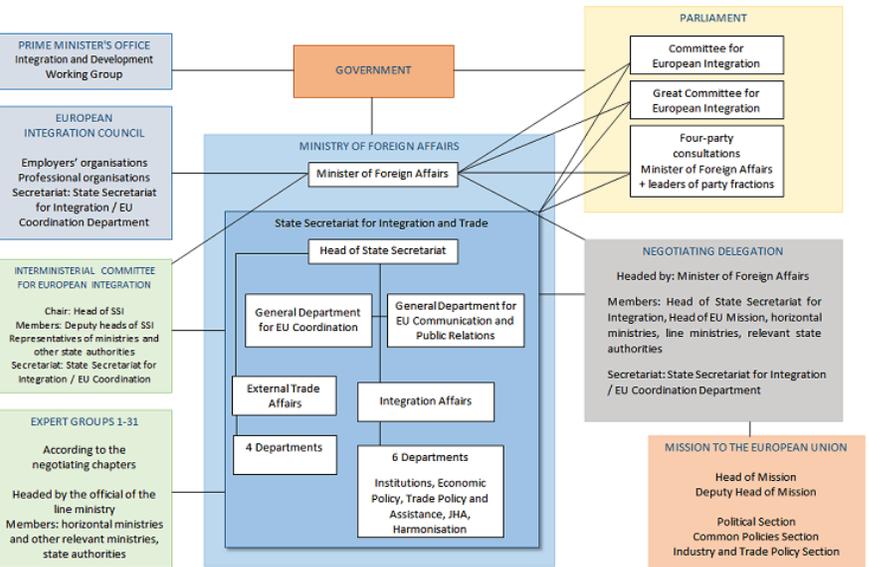
¹⁵ Endre Juhász is a lawyer and career diplomat, and currently a judge at the Court of Justice of the European Union

Figure 1. The structure of institutional coordination of EU affairs in Hungary under the Orbán government



Source: Based on Vida, Krisztina: The Management of Accession to the European Union: EU-Related Decision and Policy-Making in Hungary, (2002:73)

Figure 2. The structure of institutional coordination of EU affairs in Hungary under the Medgyessy government



Source: Based on Vida, Krisztina: The Management of Accession to the European Union: EU Related Decision and Policy-Making in Hungary, (2002:74)

Accession talks and sensitive issues

After the start of the accession negotiations the “screening” process was carried out by the European Commission and Hungary. It helped Hungary to familiarize with the EU acquis, and in parallel revealed where the country’s legislation was compatible with the EU rules. Screening ended in July 1999.

The negotiations were divided into 28+3 chapters, and there was no time frame set in which to complete the discussions. The chapters were opened in parallel -- usually the easier chapters at the beginning and the sensitive ones for later. The negotiations were conducted in bilateral and multilateral rounds. As discussed earlier, the State Secretariat for Integration in the Ministry of Foreign Affairs was responsible for the Hungarian position papers. The EU created its own “Common Position,” and the negotiations begun. Both Hungary and the EU asked in some cases for derogations (partial revocation of the acquis). The majority of the chapters were negotiated easily, but in some cases more time was needed to complete the talks. By the summer of 2000, all the chapters were opened.

As for the free movement of goods, Hungary asked for derogation on cocoa and chocolate products,¹⁶ pharmaceutical products, and cultural goods.¹⁷ The acceptance of the “free movement of capital” chapter meant that Hungary liberalized its foreign exchange, foreign direct investment system, capital and securities market, and the transactions of banks and other financial service providers. The liberalization of capital flow happened in May 2005, when Hungary passed the laws for foreign exchange liberalization. Hungary asked for derogation in the field of real estate buying. EU nationals and EU legal entities could not buy real estate, only

¹⁶ During the negotiations the EU changed its own regulations and it was no longer justified.

¹⁷ Later the Commission concluded that the Hungarian regulation conformed to the EU one.

with permission, except if they are living in Hungary for at least four years. Agricultural land ownership was a very sensitive issue, discussed in the “free movement of capital” chapter. The EU agreed on a seven year derogation, during which time the Hungarian system remained intact. Only those EU national that has been working in Hungary for at least three years and actively involved in agricultural work after seven years could buy agricultural land. Although the seven year period could have been shortened, the topic remained heated for years. Hungary accused foreign nationals of owning farmland by drawing up special contracts with the original Hungarian landowners, giving them quasi-ownership rights. After 2011, Hungary asked for a three year extension. When the moratorium expired in 2014, the Hungarian Government introduced new laws in May 2014 which made it difficult for foreigners to own land.

Another sensitive issue was the chapter on the “free movement of people.” Hungary agreed on the EU-proposed seven year moratorium, which was not binding for “old” member states (the UK, Ireland, and Sweden opened up their labor markets straight away). The system was introduced on a 3+2+2 basis, which means that three years after the accession, member states simply had to report for the Commission if they wanted to maintain the derogation, but after another two years they again had to justify the prolongation. The agreement contains a stand-still provision that prohibited new restrictions in the future.

In the corporate law chapter, Hungary asked for two derogations: One for the supplementary protection of pharmaceutical products, and one in pharmaceutical trademarks which were placed on the market on January 1, 2000. In the competition law chapter Hungary accepted the EU acquis regarding state subsidies and corporate tax benefits regarding the value of the investments on certain intensity rates. In the energy chapter, Hungary agreed to create new, liberalized laws regarding electricity and gas supply.

Hungary accepted to be a member of the European Economic and Monetary Union, but asked for derogations. The target date changed many times after accession. First it was for 2007, than 2010; the second and the third Orbán government still did not set a target date by the end of 2014.

For the majority of Hungarians, the chapter on agriculture merited particular attention. Agriculture historically played an important role in the economy, and climatic conditions provide excellent possibilities for cereal production as well as vegetable and fruit production. Agriculture's contribution to GDP fell significantly after 1990, when it was at around 12.6%. The indicator stood at 3.6% in 2000 and 4.5% in 2001, while employment in the agricultural sector was around 6.2% in 2001. Agricultural production changed in the 1990s due to a large decrease in animal production. Hungary's total agriculture and food industry produced about 7.5% of exports in the second year of the accession talks. Hungary's agricultural subsidy was around EUR 800 million a year. Area payments were given to farms not exceeding 300 hectares, the amount depending on the size of the farm. The Hungarian agricultural sector was export-oriented with 30 percent of products going to foreign countries. As the accession negotiations progressed, it became more important to establish an Integrated Administrative and Control System. The system was finally set up by the end of 2002, and included data for pigs, bovine, sheep, and goats. In terms of rural development Hungary had some shortcomings but enjoyed a lot of transitional measures.

One of the cornerstones of the talks concentrated on the issue of direct payments. Member states did not show interest in extending the direct payments scheme to aspiring countries immediately after accession. They offered a limited solution in which the new member states would only be eligible for 25 percent of the total amount and it would be gradually increased within 10 years to 100 percent. Without agreement from the big member states it was not possible to conclude the talks. Hungary argued against the system because it would cause significant competitive disadvantages for Hungarian producers (Hargita 2012:451). After France and Germany reached an agreement on the reform of EU farm policy on October 24, 2002, the Danish presidency offered a solution to the negotiating parties. The system was extended with the "top-up" payments, which meant that the new member states would have the option to "top-up" the EU direct payments with national subsidies. (30 percent in the first year, so that direct payments would total 55 percent, then a 5 percent increase per year in the first and second year, after a 10 percent increase.) The system allowed the new countries to enjoy the same benefits as old member states only from 2014. Hungary also asked for a transitional

period in 54 areas on certain food establishments and hen cages. Since the EU livestock sector is applicable only on bovine and sheep, the traditionally strong Hungarian pig and poultry sectors suffered losses (Körössi 2005:12). There were debates on the national quota levels, particularly for milk and sugar. The EU argued that the quota level should be determined on the basis of historical data for the reference period between 1995 and 1999. Hungary preferred a more recent period where production level was higher. The EU has carried out a harmonised agricultural census according to Eurostat criteria. Data collection was completed for Hungary in 2000.

Regarding the minority protection, Hungary can hardly be seen as a success story. Prior to the formation of the EU accession acquis, Hungary adopted the minority protection system and guaranteed by the constitution and specified in the Minority Act of 1993. (Schwellnus ,2005: 59, 59). Further, Hungary was actively promoting the protection of minority rights and was backing the idea of putting it on the international agenda after 1989. However, Hungary failed to “internationalize” the minority protection standards. (Ibid, p.60). The peculiarities of Hungary’s minority situation and the old legacies can be seen as a driving force behind the development of the Hungarian minority system.

Hungarian EU Presidency 2011 and aftermath

After a successful EU presidency in 2011, the government published a document titled “Hungary’s Foreign Policy after the Hungarian Presidency of the Council of the European Union,” in which the government stated its strategic view on Europe.

The sovereign debt crisis weakened the foundation of integration. In order to restore the credibility and the stability of the EU, several basic issues must be solved. Hungary is strongly committed to European integration, and wants to pursue an active EU policy. Hungary is interested in a strong Europe, in which solidarity and social sustainability are maintained.

Hungary is committed to joining the euro when appropriate. The excessive deficit procedure against Hungary was terminated in June 2013. The budget deficit was below 3 percent for the third year, the inflation rate was below 1 percent in September 2014, and public debt is expected to decline in the future (the debt-to-GDP ratio sank below 79 percent in December 2013 but later increased to above 81 percent). Although the Maastricht criteria could be fulfilled in the coming years, Prime Minister Orbán said in May 2014 that “Hungary’s potential bid to enter the euro zone can be considered when Hungary’s per capita GDP reaches 90 percent of those of the euro-zone states,” but that it is unlikely to happen in the next decade (Orbán, 2013).

After a general election in 2014, the third Orbán government was formed. As in 2010, the electorate voted with a two-thirds majority for the FIDESZ-KDNP party alliance. In June 2014 the new government took office, and began to implement fundamental changes in the Ministry of Foreign Affairs which also reshaped the Hungarian-EU institutional setting. The name of the ministry was changed to the “Ministry of Foreign Affairs and Trade,” and the transformation included the repositioning of the EU departments from the Foreign Ministry to the Prime Minister’s Office. Tibor Navracsis became Foreign Minister until he left office to become Hungary’s EU Commissioner in November 2014. For five months the previous institutional structure was preserved, but with the new foreign minister, Péter Szijjártó, the changes were followed. The Minister of State heading the Prime Minister’s Office, János Lázár, stated that the “the Prime Minister's Office will be turned into a ministry charged with governmental coordination, as well as with the distribution of European Union funds in Hungary” (PMH 2014). Finally, the government supervision of European Union affairs was transferred from the Ministry of Foreign Affairs and Trade to the Prime Minister’s Office at the end of 2014. The Prime Minister's Office became a highly centralized organisation with power over the main EU decisions. It is responsible for the distribution of EU fiscal transfers, including the structural funds, and handling the country’s political links with the EU. It is also shaping Hungary strategy towards the EU and maintains the communications with Hungary’s Permanent Representation in Brussels.

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Chapter 4

The coordination of EU policies in the V4 countries: the case of Slovakia

Vladimir Bilcik

Introduction and summary

The goal of this chapter is to examine the institutional coordination of Slovakia's EU accession efforts. This chapter reviews both the political and economic contexts of Slovakia's path to EU membership. Because of Slovakia's unique political problems in the 1990s, negotiations on the accession treaty and domestic adaptation to the EU *acquis* became a largely technical matter for a small and well-organized elite. The chapter also outlines the coordinating mechanisms of Slovakia's accession efforts. The Ministry of Foreign Affairs and especially the Office of the Chief Negotiator were crucial in coordinating Slovakia's domestic negotiating positions and in communicating with the European Commission and EU member states in Brussels. Slovakia's parliament worked effectively to adopt necessary legislation as quickly as possible, whereas the Office of the Government and its Institute of Approximation oversaw the legal compatibility and overall coordination of new legislative measures. The chapter thus underlines the primacy of technical and legal efficacy in the case of Slovakia, whose main goal was to catch up with its Visegrad neighbours in their efforts to join the EU. In addition to institutional experience, it also draws several other possible lessons for the Eastern Partnership countries and Georgia, connected to the challenges of multiple transitions, a short-lived experience with independent statehood, and the need for fast-track state-building.

The political and economic context of Slovakia's EU accession

Slovakia's path to EU membership was both long (almost 15 year since the first attempts to reach out to European Communities at the end of 1989) and twisted, such as when in 1997, Slovakia was barred from beginning direct accession with the EU for political reasons. Ten years after the separation of Czechoslovakia, the return to Central European co-operation became a cornerstone of European policy in Czech Republic and in Slovakia, where close Czech-Slovak relations were important part of the process. Slovakia's neighboring countries realized that it served as their interests that Slovakia is not left out of the EU integration process (Rupnik 2003, :43). In order to look more closely at the technical aspects of EU accession talks, we have to place the country's political context first.

Vladimir Meciar's more nationalist coalition replaced Moravcik's government in the aftermath of Slovakia's first parliamentary elections, held between September 30 and October 1, 1994.¹⁸ The formation of Slovakia's second government began a new period in Slovak-EU relations and in Slovakia's international position more broadly. This era, lasting until the next parliamentary elections of 1998, was generally characterized by questionable domestic political developments that led to Slovakia's gradual exclusion from western integrationist processes. During this time the country began to deviate from its Visegrad neighbors chiefly due to Meciar's subordination of his stated foreign policy aims to domestic politics (Henderson, 1999: 228). While the coalition claimed both EU and NATO membership as its principal foreign policy goals, several important political events inside Slovakia determined why Slovakia could not be considered a serious contender for membership in either organization.

These included an increasingly worse relationship between the Prime Minister Vladimir Meciar and Slovakia's President Michal Kovac. The tensions culminated in the abduction of the president's son, Michal Kovac Jr., after which he was deposited across the border, in Austria. The Slovak secret service was allegedly implicated in the abduction in an aim to discredit the

¹⁸ In addition to the Movement for Democratic Slovakia, the governmental coalition included a smaller nationalist party – the Slovak National Party -- and a newly-formed, small neo-Stalinist party – Workers' Association of Slovakia.

President.¹⁹ The Slovak President's constitutional prerogatives are largely symbolic, though he does wield more power than the German Federal President, for instance. President Kovac was originally from Meciar's political movement, but was consistently critical of the government and its nationalist and non-transparent policies. Moreover, the Slovak government ignored the rulings of the Slovak Constitutional Court on several crucial occasions. One exemplary case involved a verdict defying the parliament's decision to strip an MP of his parliamentary mandate on the grounds of defecting from the ruling Movement for Democratic Slovakia (Wlachovsky & Marusiak, 1998). In addition, from 1994 to 1998, Slovakia failed to deliver on its promise to pass a law on the use of minority languages, which was explicitly called for by the Slovak Constitution.

The compounded domestic political deficiencies strongly reflected upon Slovakia's international standing. The country gradually became isolated. Unlike its Visegrad neighbors, Slovakia was not invited to join NATO at the Madrid summit in 1997. Similarly, the European Union excluded Slovakia from starting accession talks after the Luxembourg summit in December 1997. Slovakia became sidelined principally due to non-compliance with the Union's political criteria outlined by the EU summit held in Copenhagen in June 1993. Although the country managed to produce relatively good economic results, and in terms of living standards stood above some other candidate states, such as Estonia or even Poland, it was relegated to the second wave of applicants due to a lack of domestic political stability and major inconsistencies in democratic practice.²⁰

The positive segment of Slovakia's path toward EU membership began with the replacement of Meciar's government by a broad coalition of Right-Left political forces, united mainly by their opposition to Meciar and his policies and by their desire to move Slovakia out of its international isolation. The new government came in after the country's second parliamentary

¹⁹ German authorities sought to question Michal Kovac Jr. in connection with a fraud case. Kovac Jr.'s kidnapping to Austria brought the president's son closer to German Interpol and set a potentially strong pretext for discrediting his father, the President of the Slovak Republic.

²⁰ The Commission's report prior to the decision at the EU summit in Luxembourg summarized Slovakia's political deficits together with its economic development. See European Commission, *AGENDA 2000 – For a stronger and wider Europe*, (Luxembourg: Office for Official Publications of the European Communities 1997).

elections in September 1998 and assumed power in November of the same year.²¹ The coalition, led by Prime Minister Mikulas Dzurinda, took a series of quick steps aimed at overcoming the political deficits of the previous government. Two additional electoral contests after the parliamentary elections helped to stabilize the domestic political system. First, Slovakia held municipal elections at the end of 1998. These preceded the country's first direct presidential elections in May 1999.²² In this contest, the candidate of the governing coalition, Rudolf Schuster, defeated in a direct popular vote the opposition's candidate -- Vladimir Meciar. Within a span of several months, Meciar suffered a second major political defeat. In addition to these changes, Dzurinda's coalition marked a new course in relations with Slovakia's ethnic Hungarian minority. The party representing Slovakia's ethnic Hungarians, the Party of the Hungarian Coalition, became a member of the government. Moreover, in the summer of 1999 the parliament passed a new law on the use of minority languages. Even though several on-going problematic political issues remained open, such as the status of the Roma minority or the independence of Slovakia's judicial system, the overall nature of domestic politics changed in important ways with the departure of the Meciar-led coalition in 1998.²³

The immediate task of the Dzurinda-led government was to achieve basic stability of the political system and to create conditions for speedy EU membership. The process of negotiations brought up a whole new set of priorities. The focus on the domestic political struggle gradually shifted to the practicalities of the enlargement process that principally

²¹ The government was composed of four principal political parties. The largest, the Slovak Democratic Coalition, led by Mikulas Dzurinda, was a single party further composed of a broad spectrum of five constitutive political parties. On the center-right these were the Christian Democratic Movement, the Democratic Party, and the Democratic Union; on the left there were the Green Party and the Social Democrats. The other three coalition partners included the post-communist Party of the Democratic Left, the newly established center-left Party of Civic Understanding, and the Party of Hungarian Coalition.

²² President Kovac was elected by the Slovak Parliament. His term of office ended in March 1998. After that the Meciar coalition was unable to muster the constitutionally required majority to elect a new president by the Slovak parliament. The new coalition from the parliamentary elections of 1998 amended the Slovak Constitution, and in early 1999 passed a law on elections of the Slovak President by universal suffrage.

²³ The position of the Roma minority in Slovakia and in Central Europe more broadly represents a serious challenge, and was a crucial issue on the way to the EU. Regarding the questionable independence of the judicial system, the Commission criticized the selection process for judges, who are subject to a probationary period of four years.

demanded an effective one-way transfer of EU rules and norms into Slovakia's public life. It is indeed no great exaggeration that there were times when relations between Slovakia and the Union during negotiations "resembled an obedient dog faithfully following its master's instructions" (Malova & Haughton, 2005).

There were two principal trends that helped facilitate Slovakia's break with its recent past under the leadership of Vladimir Meciar between 1994 and 1998, connected with its bid for EU membership. First, in its attempt to reignite the process of preparation for accession to the European Union, Slovakia cooperated closely with the European Commission. To foster Slovakia's efforts, the European Commission created a unique institutional tool: The European Commission–Slovakia High Level Working group, which met five times between November 1998 and September 1999. The group was jointly chaired by Deputy Director General Francois Lamoureux of the European Commission, and Secretary of State Jan Figel of the Slovak Government. Its purpose was to help Slovakia regain momentum in the process of preparation for EU accession. The group consulted on several specific political, economic, and legal issues. One of the concrete outcomes of the group's work was Slovakia's pledge to close two blocks of nuclear reactors that formed a part of the nuclear power plant located in Jaslovské Bohunice.²⁴ Effectively, thanks to its drive to catch up with the Visegrad group in accession efforts, and through this High Level WG with the European Commission, Slovakia managed to sign up to some of the biggest concessions vis-à-vis the EU (like the closure of the nuclear power plant) even before the official start of negotiations. Second, the Slovak leadership improved both the intensity and the quality of bilateral contacts with all member states of the EU. Bilateral relations -- crucial to the ultimate success of enlargement -- reached a low point during the Meciar era. In contrast to the previous trend when Slovakia found itself "in the periphery of Central Europe" (Chmel et al. 1998: 273). Prime Minister Dzurinda alone took part in 35 bilateral foreign visits prior to the EU summit in Helsinki in December 1999.

²⁴ See *Conclusions: EC-Slovakia High Level Working Group*, 8 September 1999. Following the end of the group's work, the Slovak government decided to close the two blocks of nuclear reactors by 2006 – 2008.

The crucial pre-condition for Slovakia's solid performance rested with the state of domestic politics. Prior to the elections of 1998 the main line of criticism towards Slovakia rested on the three broad political issues. First, respect for the rights of the parliamentary opposition, protection and respect of minority rights and cohesion of institutions (Malova & Rybar, 2003:104). Although Dzurinda's coalition after the 1998 parliamentary elections gained control of a total of 93 seats, thus assuring the government of its three-fifth constitutional majority, Meciar's Movement for Democratic Slovakia emerged as the single largest political force, winning 43 seats out of the total of 150. In addition, the other opposition party -- the Slovak National Party -- captured 14 seats. The problem for Slovakia was that neither Meciar's movement nor the Slovak nationalists represented trustworthy political partners for the European Union. However, despite some concerns the election was evaluated positively due to the manner of conduct and the commitment of the Slovak electorate to the democratic processes and values (European Commission, 1998:8). Slovakia's only EU-viable ruling force consisted of a broad anti-Meciar coalition. This distinguished Slovakia from the rest of the Visegrad group where there was no political equivalent of the Meciar phenomenon.

The ultimate resolution of the EU's uncertainty over Slovakia's politics came with the result of the parliamentary elections in the fall of 2002. While between 1999 and 2002 Meciar verbally supported Dzurinda's foreign policy orientation, many EU officials sighed with relief when Slovakia passed "a last test of democratic credentials" when election results brought a surprisingly clear victory for the center-right parties led by Dzurinda's Slovak Democratic and Christian Union.²⁵ Slovakia thus moved away from its era of heightened domestic political conflict in the 1990s to a period of political continuity, with Dzurinda becoming the longest serving prime minister among the Visegrad countries.

Slovakia's place at the negotiating table for EU membership created a strong impetus for reforming Slovakia's economy. The European Commission's 1999 Composite Paper described Slovakia, together with Lithuania, as "close to being functioning market economies." This report

²⁵ Slovakia's center-right government that came to office in the fall of 2002 was composed of the Slovak Democratic and Christian Union (SDKU), the Christian Democratic Movement (KDH), The Coalition of Hungarian Parties (SMK), and the Alliance of a New Citizen (ANO).

also stated that “if the reforms, which have been decided or are in the pipeline, are consistently implemented in the coming year, both countries should fulfill this sub-criterion in the course of next year“ (European Commission, 1999). The end of the Meciar government clearly revealed by late 1998 that the level of Slovakia’s growth was unbalanced and that the economy did not go through fundamental structural changes needed for a successful completion of the transition (Morvay, 2000). The economic revival of the mid-1990s was principally export-driven and short-lived.²⁶ Although privatization proceeded, its progress brought about neither the emergence of appropriate regulatory structures, nor the necessary funds and skills to achieve successful restructuring of privatized enterprise (Marcincin, 2000: 311). Slovakia’s unemployment rate remained high²⁷ and the level of foreign direct investment paled in comparison with the other Visegrad countries.

The new Slovak coalition government headed by Prime Minister Dzurinda imposed new measures aimed at overall economic stabilization. A “Medium-term concept of economic and social development of the Slovak Republic” was prepared in 1999 and delineated the priorities for economic development. They included a new approach to macroeconomic regulation, recovery of the business sector and banks, and further restructuring. The government introduced new constraints and liberalizing measures while trying to maintain the social safety net. The Commission’s 2000 Enlargement Strategy Paper indicated some progress in Slovak economic developments. It noted that “Slovakia can be regarded as a functioning market economy and should be able to cope with competitive pressure and market forces within the Union in the medium term, provided that the structural reform agenda is fully implemented and broadened to include remaining reforms” (European Commission, 2000). During subsequent years, Slovakia’s economy underwent a more fundamental transition that picked up in speed and scope, especially after the 2002 parliamentary elections. Dzurinda’s second Center-Right government introduced a series of tax, social, and healthcare reforms that, on the

²⁶ Throughout the 1990s, Slovakia recorded the following rates of annual economic growth: -3.7 percent in 1993, 4.9 percent in 1994, 6.9 percent in 1995, 6.6 percent in 1996, 6.5 percent in 1997, 4.4 percent in 1998, and 2.4 percent in 1999. Source: Morvay 2000: 29.

²⁷ The unemployment rate reached 17.7 percent in 1999.

eve of Slovakia's EU accession, was questioned by some member states as adding pressure for economic and social change in other parts of Europe (Malova & Haughton, 2005).

Institutional changes and coordination of accession talks

In February 2000, Slovakia began official accession talks with the European Union and proved capable of completing the accession talks by December 2002. Together with nine other countries, Slovakia signed the accession treaty with the EU in April 2003. Bratislava was thus able to catch up in negotiations with the more advanced countries of the Luxembourg group²⁸ and entered the EU together with Slovakia's Visegrad neighbours on May 1, 2004.

While there were aspects of post-communist economic transition that were not about the conditions of EU membership, the nature of accession talks did affect in distinct ways the country's domestic executive and legislative framework. Although at the inception of negotiations with the EU, Slovakia faced the apparent problem of internal institutional coordination,²⁹ squabbles within the ruling coalition were quickly subordinated to the task of efficiently executing Slovakia's accession obligations. Hence, relations between Slovakia and the European Union before May 1, 2004 consisted virtually of a one-way transfer of EU rules and standards into Slovakia's legislative and political system. Slovakia's principal task to adapt to the

²⁸ The term 'second wave' denotes the candidate states that did not receive an invitation to begin enlargement negotiations at the Luxembourg summit in December 1997. The Helsinki group consists of the countries that began accession negotiations in February 2000 following the decision at the EU summit in Helsinki (Slovakia, Latvia, Lithuania, Bulgaria, Romania, and Malta).

²⁹ Interview with a Slovak diplomat, March 2, 2000. For a detailed breakdown of the institutional basis of Slovakia's integration policy, see Juraj Alner, "Integracne procesy na Slovensku" in G. Meseznikov and M. Ivantysyn (eds.) *Slovensko 1998-1999: Suhrnna sprava o stave spolocnosti* (Slovakia 1998-1999: Global Report on the State of the Society) (Bratislava: IVO, 1999), pp. 311 – 332. The weak coordination reflected in part the political differences between the key players and their differing individual political agenda. During this period, State Secretary and chief negotiator Jan Figel was a Christian Democrat, while Deputy Prime Minister for European Integration Pavol Hamzik headed the Party of Civic Understanding, and Deputy Prime Minister for Legislation Lubomir Fogas represented the Party of the Democratic Left.

Union's conditions and its *modus operandi* were thus reflected upon the country's institutional setting. (Bilcik 2004).³⁰

The accession negotiations shifted the principal focus on Slovakia's legislative compatibility with EC/EU law and created incentives for a speedy adoption of new laws and changes in the functioning of public institutions. Slovakia faced the task of implementing standards that had been in place in EU member states for decades. Yet the country was unable to influence these standards. Hence, expressions such as being "pro-integrationist" or "pro-European" in that situation basically meant support for Slovakia's membership in the European Union. Slovakia did not contribute to the process of EU integration; it 'merely' took over the prescribed rules as the country's bureaucratic structures played the crucial role in technical adaptation and in monitoring Slovakia's gradual compliance to EU standards.

Given the particular demands of the accession process, the institutionalization of the integration policy during negotiations affected particular branches of the state power with different intensity. The government became the key player in negotiations over the terms of EU accession. In the course of negotiations, Slovakia acquired a new technical elite in EU affairs. However, members of these domestic EU elite operated as isolated individuals or cells, either under the auspices of the Foreign Ministry or other ministries. They did not become an integral part of the executive. Moreover, political parties in government (or opposition, for that matter) often restricted themselves in their official statements to expressing general support for Slovakia's EU membership. It was only later, after the signing of the accession treaty, when political parties began to contribute to the discussion on the future of the EU and shape the government's position on various issues on the EU agenda.

As mentioned earlier, the coordination of accession negotiations was in the hands of the Ministry of Foreign Affairs (MFA). The MFA through the Chief Negotiator and his team coordinated the preparation of domestic ministries for negotiations in each of the 29 substantive negotiating chapters (Figure 1). At the same time, the MFA and the departments

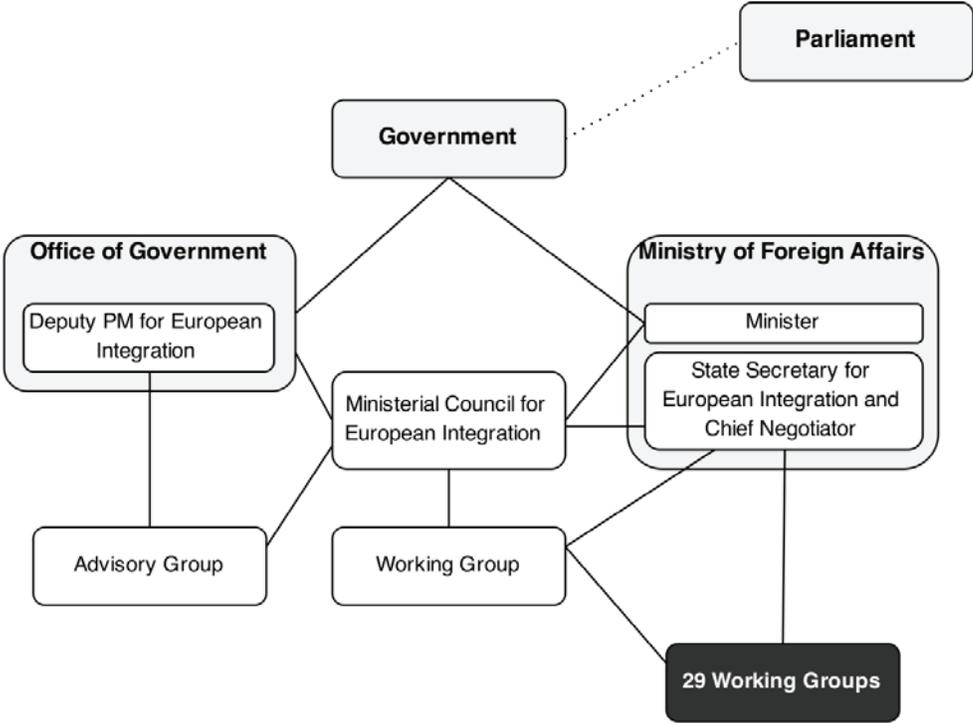
³⁰ The following paragraphs dealing with the executive-legislative relations draw on Bilcik (2004).

headed by the Chief negotiator, together with the country's Mission to the European Communities, coordinated Slovakia's communication and negotiations with the European Commission and member states in Brussels (Figure 4). The Deputy Prime Minister's Office was responsible for domestic legal adaptation and implementation of EU compatible laws through the work of the Institute of Approximation, as well as for domestic coordination of pre-accession aid and public communication of EU issues (Figure 3). The Ministerial Council for European Integration (Figure 1) was a formal communication and advisory mechanism composed of the Deputy Prime Minister and the Ministers for Foreign Affairs, Economy, Finance, Agriculture, and Interior as well as the Chief Negotiator.

Slovakia's Parliament -- the National Council of the Slovak Republic -- adopted legislation that was indispensable to Slovakia's EU accession; however, the space for discussion over EU-compatible rules was rather limited, as the parliament largely took over already existing directives or guidelines. There was no particular need for the parliament to maintain its own independent expert background regarding the issue of European integration. Parliament's communication with the Cabinet was determined instead by the needs related primarily to the harmonization of Slovakia's legal system with that of the EU. While the parliament also created its own internal structure of communication on EU issues and the European parliament (Figure 2), the main task of this institutional setup was to ensure expedient adoption of new laws, rather than offer space for broad public discussion on details of European integration.

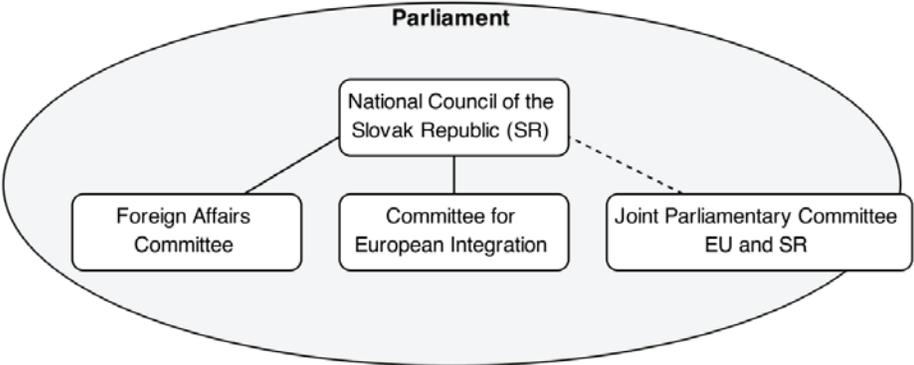
Finally, since the accession process placed no direct demands upon the judicial branch of power, its preparedness to operate within the Union's legislative space could only be tested during EU membership. This uneven engagement of Slovakia's different institutional branches of power serves as a good lesson for Georgia. While elements of the executive were well-prepared for functioning in the EU context, the quality of the performance of Slovakia's government in the EU as a whole, or EU-related parliamentary scrutiny, or EU relevant engagement with the judiciary continue to present ongoing challenges.

Figure 1



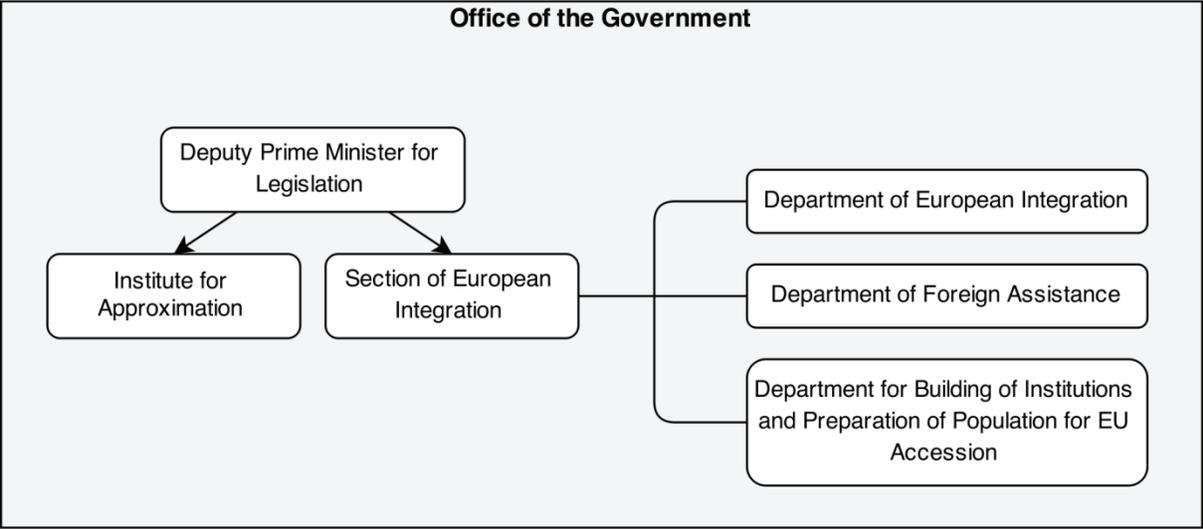
Source: Figel & Adamis, p.14.

Figure 2



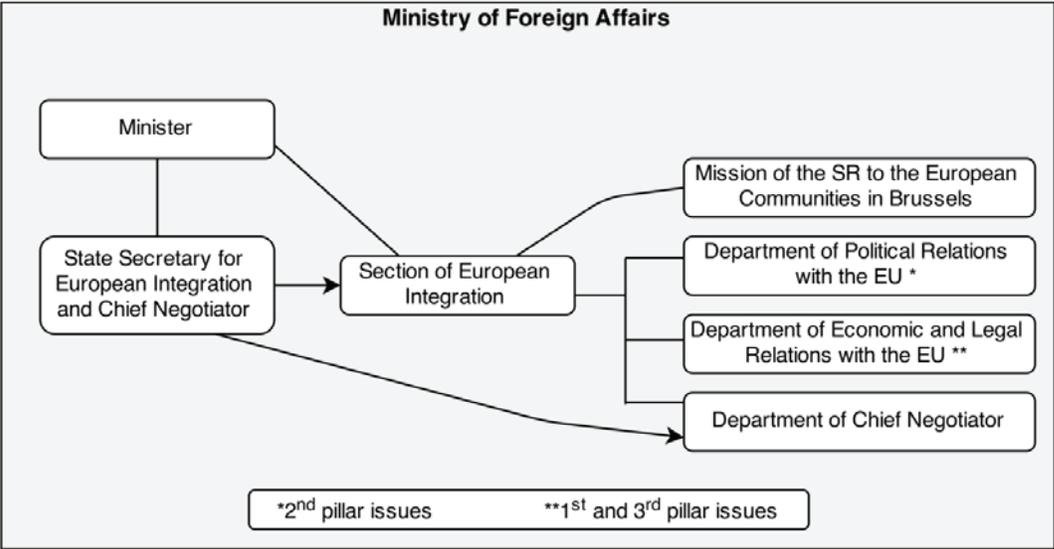
Source: Figel & Adamis, p.15.

Figure 3



Source: Figel & Adamis, p.15.

Figure 4



Source: Figel & Adamis, p.15.

Europeanization has become a fashionable term in analyzing integration processes. In scholarly literature there are numerous definitions of these trends. As discussed, in the pre-accession period, the relationship between the EU and Slovakia was largely characterized by a one-way transfer of EU rules and norms into the domestic Slovak legislative and political setting. The main task for Slovakia was to adapt to EU conditions.

The gradual development of official ties between Slovakia, the European Communities, and the European Union placed specific demands on domestic politics, the quality of public administration, and the content of the country's legal system. The Association Agreement, better known as the Europe Agreement, signed during the existence of the former ČSFR in December 1991 formalized for the first time Slovakia's political and economic ties with the EC countries. After the breakup of the Czecho-Slovak federation, Slovakia signed its own Europe Agreement, which established the Association Council as the main body for communication between the Slovak executive and EU institutions. The political criteria for the admission of new member states, adopted at the EC summit in Copenhagen in June 1993, contributed in turn to democratic consolidation in Slovakia, while negotiations about the conditions of Slovakia's accession focused on the compatibility of Slovakia's legislation with the EC/EU law and created pressure for the adoption of new laws and changes in the functioning of public institutions.

In short, Slovakia assumed the role of a receiver of the norms functioning in EU member states for decades, and had limited say in influencing the nature of these norms. With Slovakia's entry to the Union on May 1, 2004, the term 'Europeanization' gained more complex connotations. The EU is not just a political player. Foremost, it represents an arena within which the member states can negotiate on their respective policy preferences. Therefore, while today the Slovak Republic still continues to adapt to EU standards, it also possesses an opportunity to contribute to the formation of the Union's setting.

It should be underlined that domestic politics was the essential precondition to get to the negotiating table between Slovakia and EU member states and EU institutions. However, when the two sides did come together and began the actual negotiations on EU legislation and the

chapters of the *acquis*, the progress toward an agreement on these details depends on technical negotiations within Slovakia and within the EU. In some respects, negotiations are an exercise in efficiency rather than legitimacy. What is clear from the Slovak experience is that it was an exercise dominated by the executive. Not so much by the government as whole, but rather by concentrated bureaucratic elements within the executive. In the case of Slovakia, these elements were concentrated within the Foreign Ministry, where the chief negotiator was the coordinator of accession talks with his small compact team of people who communicated and coordinated with the other ministries. The more efficient the setup, the better your ability to perform in this very technical aspect of completing your commitment to the adoption of the *acquis*; this seems to be Slovakia's simple lesson. This is also the reason why Slovakia was able to negotiate EU membership within three years.

Technical negotiations with the EU are boring, and although there was the office of the Chief Negotiator, he often had little negotiating power. In fact, negotiations on accession were about the country's commitment to adapt to EU rules and norms as quickly as possible and in ways that were the least painful both for the EU, and for the domestic public and domestic structures. In terms of measures of success, Slovakia had to adopt commitments on some big issues such as the closure of the nuclear power plant in Jaslovske Bohunice, but also had to commit to the adoption of EU compatible laws, which today comprise more than 100,000 pages of legislation. More importantly, Slovakia had to commit to when it would implement those laws. Today Slovakia is in the EU but actually is still implementing those commitments and is being closely watched by the European Commission and by other EU member states. This process creates pressure, although technically it is carried out by a small group of people. It creates pressure for the structures at large, and for society at large.

Public communication

The new institutionalized interactions between the EU and Slovakia were generally welcomed by the Slovak public. During the late 1990s, the majority of the Slovak public consistently

expressed its support for EU membership. While in January 1999, 64 percent of citizens supported Slovakia's integration into the EU, by August 2000, 72 percent expressed their support. With the start of negotiations for EU membership, public support increased. Next to elite attitudes, public consensus on EU integration was essential for the continued success of accession talks, while the real test of public support was the national referendum. By contrast, the experience of some neighboring states in talks with the EU after March 1998 suggest there was a small decrease in public support for EU membership.³¹

Slovak leaders had a relatively easy task because of all the political problems that Slovakia experienced in the mid-1990s. Formally, the Office of the Government (Figure 3) was tasked with coordinating public communication on EU issues. Due to overwhelming political consensus on EU accession, the government's main task was not to inform on and communicate the terms of EU membership, but rather to mobilize the public prior to Slovakia's referendum on European Union accession. A valid referendum required a turnout of over 50 percent of all eligible voters. In the end, the Slovak public actually produced the highest positive results in the latest referenda on EU membership: About 93% of the 52% of the electorate that took part in the referendum in 2003 supported Slovakia's entry into the EU. Hence, the government and the country gained strong legitimacy for pursuing the course of EU membership.

Politically and Economically Sensitive Issues

The first observation that is relevant to this publication is that 'negotiations take time'. The former Czechoslovakia began talks on the Europe Agreement in 1990, which came into effect before Czechoslovakia fell apart. It took Slovakia fourteen years from the signature of the Europe Agreement between the EU and the former Czechoslovakia to Slovakia's accession into EU in 2004. It takes a long time to get in, and therefore any questionable domestic political

³¹ While in March 1998 60 percent of Poland's citizens expressed support for EU membership, 55 percent of the Polish public supported the idea in June 1999. See: *The Economist*, 31 July 1999.

practices could prove very costly in terms of successful management of the whole accession process.

The second observation is that one does need to organize the state anew and successfully after dissolving from a larger entity. This was a big challenge for Slovakia after separating from the Czech Republic. Slovakia had to negotiate all the obligations that it was taking on as a successor state while also dealing with the basic challenge of managing a new country. Slovakia did not have any significant history of an independent government as such, so there was a big challenge in building both a political elite, and administrative capacity to carry out essential public services.

Thirdly, Slovakia faced the essential challenge of sorting out relations with its immediate neighbors as a newly-found state in 1993. The Czech Republic turned out to be an easy case. The more difficult and more protracted relationship was with Hungary, Slovakia's southern neighbor, particularly because of certain historical legacies but also because of the presence of a sizeable Hungarian minority in southern Slovakia. This bilateral relationship took a while, even years, to resolve, to such a degree that the EU member states launched expert negotiations. While the Slovak-Hungarian bilateral treaty was signed in 1995, a number of specific provisions about the nature of Slovak-Hungarian relations didn't come into effect until the late 1990s, when the political climate changed in Slovakia. The essential problem that Slovakia faced was that although it pronounced a desire to enter both NATO and the EU since its independence in 1993, there was a big mismatch between these words and deeds on the ground.

Conclusion

What was the EU's side on the technical aspects of negotiations? One of the crucial lessons we learned is that the European Commission, although sometimes sidelined by the member states when it comes to accession negotiations, plays a crucial role. It is an important interlocutor and mediator between the member states and outsiders, and in Slovakia's case Slovakia, with other

candidate countries. The EC is both a friend and a critic since it is also in the Commission's interest that enlargement is successful. In some respects, the Commission was very much leading the enlargement game. In Slovakia, it was also active on the ground, producing regular reports on the country's progress toward membership in the EU.

Second, what we learn through Slovakia's experience is that when it comes to negotiating, you are also negotiating with the member states. There were arguably three kinds of issues that the member states brought to the negotiating table. One, they focused on agendas of high political salience within a specific country. The example for Slovakia is the closure of the nuclear power plant. Austria brought it to the table repeatedly. Another example is the competition policy. The subsidies provided to the Volkswagen plant located outside Bratislava became a very sensitive issue. Spain blocked the closure of the competition policy chapter with Slovakia for several weeks because they wanted assurances it would not affect negatively the Seat plant in Spain. As can be seen, there are specific issues of political salience particular to each member state. Candidate countries simply have to deal with them, and deal with member states using the Commission as your ally and while looking at EU rules and norms. Second, there are horizontal issues. Concerning horizontal issues, there was not much that Slovakia was able to negotiate because these horizontal were sensitive for the majority of EU member states – specifically the 'four freedoms.' The freedom of movement of persons is probably the most sensitive. Goods and capital were settled. But Slovakia had to accept an agreement made between the older member states that possibly up to seven years after entering the EU, the EU labor market would not be entirely open to the new members. It was closely watched and monitored by the member states and the European Commission. Finally, there is the issue of money. Once again, it is an issue where room for negotiating is only within a certain framework provided by the EU. In Slovakia's case, it was the 1999 budgetary agreement on the financial framework for the years 2000-2006. The 'Berlin ceiling' sealed the possibilities Slovakia and other candidate countries could negotiate. As the Slovak negotiators eventually found out, the candidate countries could not form a single front, but rather each country negotiated on its terms with the EU member states within the given limits. Room to manoeuvre within these negotiations proved small.

Ultimately, the EU member states and European Parliament have to approve a new candidate's entry into the Union. Slovakia did fairly well in lobbying and finding friends in the EU. Other countries had more difficulty where certain questions were raised in the European Parliament. This is to be expected when at the stage of ratifying the accession treaty. It will end successfully only if you have friends not only in EU member states, but also in the European Parliament.

In conclusion, one can draw the following lessons from Slovakia's path to the European Union. Firstly, each country negotiates on its own merits and each country has its own problems. That is why Slovakia's experience could not simply be replicated. But there are aspects that might be of interest to others. Slovakia also had a unique situation of a statehood problem, which was resolved by dissolving Czechoslovakia peacefully, quickly, and without repercussions for Slovakia's future status. The real problem was domestic politics. It is also important to underline that each round of enlargement is different. Slovakia asked the Austrians, the Swedes, and the Finns what they did in their 1995 enlargement. Some of their experiences were useful, but not much, because they had a much higher level of integration with the European Community prior to joining, as compared to Slovakia. In terms of looking ahead at future enlargement or closer association through the EaP, the EU keeps moving forward and so the gap between the EU countries and outsiders is getting larger. At the same time, there are ten post-communist countries in the EU. In that sense the Cold War is over. There is a whole new EU-playground of 25 players rather than 15, where each one of us has a voice at the European Council table.

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Chapter 5

The coordination of EU policies in the V4 countries: the case of Poland

Paulina Gas

Poland's membership in the European Union

On May 1, 2004, Poland acceded to the European Union (EU), after fifteen years of efforts following the systemic transformation of 1989. During that time, Poland was obliged to pass all the required stages of the accession procedure after submitting a membership application in April 1994. Membership conditions were defined during the accession negotiations, which opened in March 1998. Poland's integration with the European Union can be divided into three stages (Barburska, 2012: 55). The pre-accession stage (1988-1991) lasted from establishing diplomatic relations, to the conclusion of negotiations of the Europe Agreement; implementing the Europe Agreement stage (1992-1997), covered the period from the entry into force of the interim Agreement, to inviting Poland to accession negotiations with the EU; the third stage covered the accession process (1998-2004) and lasted from the accession negotiations to the ratification of the Accession Treaty. And finally the new stage of the European integration started after the accession of Poland to the EU from May 1, 2004 (Ibid).

In the process of transformation from centralized economy to Europeanizing state, Poland received significant political and material support from Western countries, including financial assistance under the PHARE program. The program, administrated by the European Commission, became an important instrument to promote and guide both political and economic transformation in the country. In addition, Poland was covered by the preferential tariff system (Generalized System of Preferences - GSP) and the European Community (EC) suspended quantitative restrictions on imports from Poland (Barburska, 2012: 46).

At the European Council meeting in Dublin in April 1990, "the EC Member States expressed willingness to conclude association agreements with the countries in the region that met the relevant conditions. The Polish government soon made an official request to start negotiations towards the EC Association Agreement. The negotiations were opened in December 1990 and ended with the signing of the Europe Agreement in December 1991" (Seleny, 2006: 257).

The Association Agreement was a new type of association agreement under Article 310 of the Treaty on European Union (TEU). It entered into force on February 1 1994, 13 months after the introduction of the Single Market and three months after the Maastricht Treaty, which created the European Union, entered into force (European Union External Action web-site).

The most important part of the Association Agreement was the provision on the liberalization of the movement of goods, which led to the establishment of a free trade area covering industrial goods. The last customs tariffs were abolished at the end of 2001. The liberalization of trade certainly contributed to the development of mutual trade transactions, and as a result of the "diversion effect," the EU became Poland's major trading partner, which indicated a high level of real economic integration (Cordell, 2000:16).

The reduction of customs tariffs took into account the formal asymmetry in favor of Poland. In practice, however, it proved to be insufficient to stop a negative trade balance for Poland in exchange with the EC, despite the fact that the Europe Agreement contained numerous safeguard clauses for Poland as the weaker economic partner. It turned out, however, that it did not have any significant impact on the restructuring of the Polish economy forced by the liberalization of foreign trade" (Barburska, 2012: 57-58).

The negotiations were ultimately finalized with the signing of the Treaty of Accession in April 2003. At the same time, Poland engaged in extensive harmonization in order to fulfill the membership criteria. The historic decision in favor of Poland joining the EU -- expressed by Polish society in an accession referendum in June 2003 -- sealed the decision of the Polish authorities. Poland acceded to the EU together with nine other countries, mostly from Central

and Eastern Europe. The accession to the EU of Bulgaria and Romania on January 1, 2007 completed the enlargement round.

Office of the Committee for European Integration (UKIE)

One of the most important institutions responsible for preparing and informing Polish society about the accession process was the Office of the Committee for European Integration. It was established on October 3, 1996. The UKIE coordinated the activities of all ministries and institutions directly involved in the process of Poland's EU integration, and continued its work even after Poland joined the EU. It acted as a government plenipotentiary for European integration and foreign aid (Cordell, 2000:135).

The Act on Committee for European Integration of August 8, 1996 established the Committee for European Integration (*Komitet Integracji Europejskiej*, KIE). Its work was supported by the UKIE. The Committee for European Integration was the head government body dealing with the programming and coordination of policies in areas related to Poland's integration with the European Union. It was also responsible for accommodating Poland to European standards, as well as coordinating the activities of the state administration in the area of received foreign aid.

The Prime Minister usually served as the chairperson of the Committee for European Integration, who then appointed the KIE Secretary. At the same time, the Secretary of the Committee acted as the head of the UKIE.

The members of the KIE were ministers responsible for public finance, economy, labor, agriculture, State Treasury, interior, foreign affairs, environment, transport, health, as well as the Minister of Justice. The meetings of the Committee could also be attended – and with the right to vote -- by a minister that was not a member of the KIE, provided that he/she was in charge of the issue under consideration. The Chairperson of the KIE could also appoint as members of the Committee three persons whose experience or functions could be of vital

importance in task performance related to the European integration process (Cordell, 2000:135).

The Chairpersons of the Committee for European Integration before the accession were: Prime Minister Włodzimierz Cimoszewicz, from October 15, 1996 to October 31, 1997 (Democratic Left Alliance); Ryszard Czarnecki, from October 31, 1997 to July 27, 1998 (Solidarity Electoral Action); Prime Minister Jerzy Buzek, from July 27, 1998 to October 19, 2001 (Solidarity Electoral Action); Prime Minister Leszek Miller, from October 19, 2001 to May 2, 2004 (Democratic Left Alliance) (Millard, 2010).

The UKIE consisted of 15 departments: the Political Cabinet of the Chairman of the Committee for European Integration, the Integration Policy Department, the European Union Law Department, the Department of Analyses and Strategies, the National Aid Coordinator Department, the Department for Institution Building Programs, the European Information Department, the Department for Coordinating the Preparation and Operations of the Polish Presidency of the European Union Council, the European Committee of the Council of Ministers Department, the Secretariat of the Head of the Office of the Committee for European Integration, the General Director's Office, the Administration and Finance Office, the Media & Communications Office, the Internal Audit and Financial Control Office, the Procurement Office.

The UKIE had a number of tasks during its operations until May 1, 2004, when Poland joined the EU (The Office of the Committee for European Integration). First, to accelerate the harmonization of Polish law with EC law. The scope of amendments to Polish law required accelerating the work of government and parliamentary drafts of acts concerning European integration. The National Program for Preparation for Membership of the Republic of Poland in the European Union (NPPM) was created to establish a special procedure for coordinating and handling such drafts. The UKIE issued opinions on draft legal acts in respect of their compliance with EU laws, and assessed the progress in the amendments processes. One of the central issues was the reform and progress towards administrative conditionality. The 1995 law

created the system of qualifications , however through the 1998 law revisions some changes were made (Dimitrova, 2005: 86).

Second, to strengthen coordination between ministries. Efficient implementation of the required legislative amendments, as well as institutional preparation, required cooperation between all the respective institutions involved. This was particularly important in the area of accelerating legislative works, both in the government and Parliament. Moreover the Council of Ministers decided that works related to the adoption of European acts to be completed by 2001, which meant that all the ministries and central offices had to adhere closely to deadlines.

Third, to develop government programs for informing the public about the EU integration process. Cooperating with both NGOs and local authorities, the UKIE prepared and implemented a Public Information Program (PIP) to provide reliable and easily accessible information concerning European integration, and to maintain society's support for EU membership.

And fourth, to devise an extensive strategy to support overall the activities in the EU integration process, based on a detailed analysis of the costs and benefits of the integration process, as it was the task of the Office to ensure that the activities proceeded on schedule with the cooperation of various ministries.

After Poland joined the EU in May 2004, the Office of the KIE continued with work such as: coordinating the activities preparing the Polish administration for holding the Presidency of the Council of the European Union in the second half of 2011; participating in the process of creating EU law; implementing EU law; coordinating the preparation of draft instructions for meetings of the Council of the European Union, COREPER I and COREPER II; monitoring the work of committees and working parties of the European Union; coordinating cooperation with members of the European Parliament; representing Poland before the European Court of Justice; managing member funds; analyzing new strategies and trends in the EU, e.g. the Lisbon Strategy, the New Financial Perspective; issuing opinions on legal regulations and program documents; cooperating with the Sejm in accordance with the Act of March 11 2004, on

cooperation between the Council of Ministers and the Sejm and the Senate in matters related to Poland's membership in the European Union; training administrative staff; completing supervision over PHARE; programming the 'Transition Facility;' human resources development through the promotion of education and training, strengthening of administrative or public service capacities of local government and its institutions (according to priority 2.4 of the Operational Program); technical assistance relating to the implementation of the *acquis communautaire* (priority 2.10 of the Operational Program); collecting documents and publishing information materials; correcting prepared translations (corrections, that is corrigenda to translations, are published by EU Member States for years after their accession) (The Office of the Committee for the European Integration).

European Information Centre

In May 1997, the European Information Centre (EIC) belonging to the Office of the Committee for European Integration (the OCEI) started its activities in Warsaw. In order to strengthen the information campaign about EU integration, the Council of Ministers adopted the second version of the NPPM and approved the Program for Informing Society, drawn up by the OCEI. "That program provided for a four-year plan (1999–2002) of information and educational undertakings on the process of Poland's integration with the EU. A key objective of the program was to gain the support of Polish society for their country's membership in the EU, by showing the benefits but also the costs connected with the efforts it would require. The Program for Informing Society assumed close cooperation regarding information issues between public administration (central and local, governmental and self-governmental), non-governmental institutions and organizations, opinion-forming circles, and social authorities. The program was to allow for society's access to accurate, objective, up-to-date, and reliable information. It was aimed not only at the sectors of society already supporting Poland's integration with the EU, but also for those who were undecided or opposed. The program stipulated a circulation of information where information would be transferred among all governmental institutions

involved in the integration process, as well as among the executive and legislative authorities, and society. That was possible solely thanks to cooperation with social partners, including NGOs, the media, centers connected with European integration, but also with self-government and those involved in civic life” (Skotnicka-illasiewicz, 2009).

Public communication strategy

Euro-barometer polls from the 1990s showed that Poland had one of the highest levels of support for EU membership among the post-communist candidate states. Likewise, there was consensus among the political elite in favor of EU membership. “However, once accession negotiations began and the issue began to develop a higher political profile, support for EU membership started to decline. For the first time, a significant amount of anti-EU public opinion began to emerge. Figures from the CBOS polling agency showed that Polish support for EU membership fell steadily between 1994 and 1999, from nearly 80% support, to between 55-60%. The number of opponents to EU membership increased from 5% to a more substantial 20–25% of the population. The number of ‘don't knows’ remained steady at around 15-20%. (Szczerbiak, 2005).

The most frequently cited fears and doubts about EU integration concerned questions such as whether Poland (Polish farmers, entrepreneurs, government, citizens) can cope with the requirements of the EU; whether the Polish economy can meet competition in the European market; whether Poland is prepared for membership (Ciężki and Falkowski, 2003).

The main objectives of the 2003 EU membership referendum campaign were: to ensure that Poles understood the importance of the referendum decision, thus mobilizing them to participate in the referendum so that voter turnout would exceeded 50%; to present reliable information on the advantages of Polish membership in the EU, and the development opportunities that would be available to the country; to strengthen the Polish position in the EU; to demonstrate that institutions are prepared for membership.

The referendum campaign got underway towards the end of April 2003, after the signing of the Athens Treaty, which was covered extensively by Polish media. While virtually the whole Polish political establishment was in favor of accession, there were several different “Yes” campaigns running concurrently. The most visible and high profile campaign was run by President Aleksander Kwasniewski, on the slogan “Yes for Poland.” With approval ratings of 70-80%, Kwasniewski was easily Poland’s most popular politician and a formidable campaigner, and he drew on all his personal authority to secure a Yes vote and a high turnout. His campaign was based on a nation-wide program of visiting towns and holding public meetings, accompanied by a leaflet delivered to every household advocating the pro-EU case, and a televised broadcast appealing for a ‘Yes vote’. The government also ran a separate campaign, mainly to inform the public about the facts and encourage them to vote, although it was clear that the subtext was that people should vote ‘Yes’.

On top of the official presidential, government and party campaigns, the pro-EU camp also had the support of a wide range of local and national civic organizations. Along with the Catholic Church, the most significant of these was the umbrella grouping ‘Civic Initiative YES in the Referendum’, which brought together local government, businesses, NGOs, and advertising agencies, as well as with celebrities. Another important theme in the Yes campaign was its emphasis on young people. This was partly because they were a politically apathetic segment of the electorate, yet with more or less support for EU accession. They were therefore a key target group for mobilization. The focus on the youth in the Yes campaign’s publicity was also aimed as presenting the pro-EU case as future-oriented. This was important, since many less enthusiastic pro-EU voters said that they would probably end up voting Yes because they thought that future generations would benefit from accession, even if they were dubious that they would gain much from it personally.

On the other hand, there was certainly a more substantial Eurosceptic lobby in Poland than in the other post-communist states that had held accession referendums as well. The most high profile “No” campaign was run by the League of Polish Families and spearheaded by its young and articulate deputy leader, Roman Giertych. However, although the anti-EU campaign was

quite visible, and a plausible case could be made that the terms of accession represented a 'second class' membership package, it didn't have a large impact.

The League of Polish Families made a tactical decision to focus on anxieties about the potentially negative economic impact of Poland's EU accession, either on particular sectors such as agriculture, or on the macro-economic consequences, such as arguing that prices would increase. This was the issue most likely to resonate with waverers in the Yes camp. They also stressed that a No vote would hasten the downfall of the unpopular SLD government, drawing attention to a pledge that Premier Leszek Miller gave in 2002, that he would resign if he lost the EU referendum. However, the No camp often fell back on less salient emotional and ideological themes that were unlikely to mobilize support beyond a relatively small and committed core. For example, they argued that EU accession would lead to liberalization of abortion laws; the legalization of euthanasia and gay marriage; that Germans would buy up Polish land in the western territories; or that Poland's independence was under threat, using slogans such as "Yesterday Moscow, Tomorrow Brussels."

Significantly, the controversial leader of Self-Defence party, and the most well-known critic of Polish EU membership, Andrzej Lepper, ran a much less high profile anti-EU campaign than the League of Polish Families. Indeed, in spite of his often bitter anti-EU invective, Lepper argued that his party was not opposed to Polish EU membership in principle, but simply against the unfavourable accession terms negotiated by the government. Self-Defence campaigned on the rather enigmatic slogan, "The Choice is Yours." The anti-EU camp was also hamstrung by its minimal access to media, especially state TV, especially compared to the Yes campaigners. Although various anti-EU groups appeared during specially-produced official EU referendum broadcasts and formal TV debates, the No campaign received only perfunctory coverage in the main evening news program *Wiadomosci*, which most Poles watched to get their updates on current affairs.

The only mass medium that gave strong backing to the anti-EU camp was the radical Catholic nationalist broadcaster *Radio Maryja*. With nearly 3 million listeners, *Radio Maryja* has been

critical in mobilizing the religious right that accounts for about 10% of the Polish electorate. However, Radio Maryja came under intense pressure from the broadly pro-EU Catholic Church hierarchy to tone down its anti-EU coverage. The Catholic nationalist critique of EU accession became even more difficult to sustain after Pope John Paul II's dramatic intervention in the referendum debate. The Pope had already made his support for Polish EU accession clear on a number of occasions. His intervention was the single most significant event during the referendum campaign. Not only do Catholics comprise 90% of the Polish population (with over 50% attending Church services at least once a week), but John Paul II is an absolutely unquestioned moral authority for virtually all Poles.

As the referendum outcome was rarely in doubt, most attention focused on the question of whether it would achieve the 50% turnout required to make it constitutionally valid.

Final opinion polls indicated that approximately 75% of Poles intended to vote Yes, 15% No, and 10% were undecided. It came as little surprise to most commentators when the final results showed that Poles had voted Yes by an overwhelming 77.45%. The majority of Poles accepted the argument that it was a choice of civilizations, and turned out to vote in greater numbers than most commentators had expected. They appeared to accept the historical significance of the referendum and the argument that voting was a patriotic duty, a message that was dramatically underscored by Pope John Paul II's intervention in the campaign.

Fears before the accession

Many of the fears of EU integration skeptics expressed before accession did not materialize; mainly those related to the Polish market being flooded with cheap food from the EU, the large scale bankruptcies of SMEs, deteriorating advantages for farmers, or that real estate would be bought-out by foreigners. Sometimes the opposite of these anxieties happened. For example, not only was the Polish market not flooded with supplies of farm produce from the EU, but rather Polish produce became a driving force of Polish exports, and thrived in the markets of

the EU Member States. As a result, public mood and perception of the EU and Poland's membership in it changed. For example, Polish SMEs mostly supported membership in the EU in the early months of joining, seeing it as providing them development opportunities. The sectors where there was the largest growth of support for accession was in farming and food production, where support went up from a mere 20% to over 70% in just a few months (Blair, 2002).

Unexpectedly, there was a growing interest among Polish citizens and businesses in purchasing real estate and enterprises west of the Polish border, mainly in parts of Germany, since real estate there turned out to be cheaper than Polish properties. There were also advantages of accession that many in Poland did not notice beforehand, mainly that after May 1st, 2004, citizens of EU member states could travel across almost entire territory of the Union using just an identity card (The Office of the Committee for the European Integration, 2005).

Other fears expressed before accession were that after May 1st 2004 economic relations with the East European countries not in the EU would worsen, due to the introduction of visa regimes, among other things. "Meanwhile in practice, bringing the EU borders closer to the states of the former Soviet Union enhanced interest among Polish enterprises in investments in Russia and Ukraine. In 2004, Polish investments there amounted to over 100 million zloty (approximately 50 million zloty in Russia and almost 60 million zloty in Ukraine). This interest resulted from the fact that both countries have large and absorptive domestic markets and a cheaper labor force -- but also from the willingness of Polish businesses and entrepreneurs to be ahead of any potential competitors from the old Member States wishing to take advantage of these countries being in direct neighborhood to the EU. Polish businesses, enjoying the advantage of having better knowledge of the market and its proximity, coped well against strong competition from business entities from the old Member States and non-EU states (Blair, 2002).

In 2004, exports of Polish goods to Ukraine increased by approximately 30% compared to the previous year, reaching about 2 billion USD. An extremely high increase of exports to Russia –

by almost 89% - made its value exceed 2.8 billion USD (albeit given the size of the Russian market, this value is short of the potential) (Ibid, pp. 17-18).

10 years of Poland in the EU: lessons learnt

The GDP statistics best show the economic progress Poland has made in the process of Europeanization. The average annual GDP growth reached a strong 5.5% y/y from 2004-2007, but this growth rate dropped to 3% between 2008-2013 due to the global financial crisis. Altogether, average annual growth amounted to 4.2% in the 9-year period 2004-2013. In comparison, average GDP growth rates in the Czech Republic and Hungary in the same period amounted to 2.5% and 0.79%, respectively. Euro-skeptics point out that between 1995 and 2004, the Polish economy grew faster than it did after joining the EU (with a growth of 46.2%). Yet one must bear in mind the low base of the Polish economy after the collapse of the communist system, as well as consider the distance Poland has covered to become the 23rd largest economy in the world.

Once Poland entered the EU, new markets and new possibilities of duty-free foreign trade arose for Polish producers, and Polish companies have fully taken advantage of these new possibilities. Before Poland became a part of the EU, the value of exported goods in 2003 amounted to almost 74 billion USD. In 2013, this value grew to 206 billion USD, which -- after adjusting for inflation -- means a growth of 217%. Moreover, Poland became a large exporter of food in the last ten years. Between the years 2003-2013, exports of food products and produce grew fivefold; imports grew by four-and-a-half; whereas foreign trade balance grew more than fourteen-fold. In 2013, the value of food exports reached 20 billion euro, whereas the positive balance reached 5.7 billion euro. Today, almost 80% of Polish food exports are sent to EU markets, whereas beforehand the main recipients were post-soviet countries (Banasinski et al, 2003).

One of the biggest advantages of EU was the inclusion of Polish agricultural sector in the Common Agricultural Policy, which stabilized long-term production conditions. The Polish farming industry is an important part of the economy. While farming generates only 3.4% of Poland's GDP, it employs 12.4% of Poland's workforce and 39% of people live in rural areas. Polish farmers increased their income thanks to Poland's EU membership, as they became beneficiaries of EU and national public funds through direct subsidies. Between 2004-2013, the real personal income of farmers increased by 64%; of employees working in farming – by 39%; of individual farmers – by 37%' retirees - by 26%. Despite this, rural household income is still lower than that of an urban household. Furthermore, the Polish countryside received about 4 billion euro in the first two years of membership. In total, throughout the last 10 years, Polish farmers received almost 30 billion euro from the EU (Banasinski et al., 2003).

EU funds have played a strategic role in helping the country modernize more rapidly. Between May 2004 and December 2013, Poland received 92.4 billion euro from the EU budget. These resources helped conduct a modernization program that had no precedent in the country's history. "Over those years over 160,000 projects were implemented. 673km of motorways were built; 808km of expressway were built or modernized; 36,000km of sewage networks and 683 sewage treatment plants were constructed. Companies also benefited from EU funds. Since 2004, entrepreneurs carried out 62,600 projects, for which they received approximately 85.5 billion zloty in EU funding. Through the Innovation-Based-Incubators program, 972 innovative ideas were supported and 2960 e-services introduced. In 2004–2012, Polish farmers received 53.7 billion zloty in direct payments from the EU budget, benefiting 1.4 million farms. This means that on average, a beneficiary was eligible for 3,836,000 zloty. Poland's agriculture and the agri-food sector were significantly modernized. EU funds have also helped to change the education system. Over half of Polish schools (close to twenty thousand) have been equipped with computer labs, with around 250,000 computer workstations created (Polish Ministry of Foreign Affairs, 2014).

Despite major successes of the Polish economy since becoming a EU member, there are some elements of the national economy with mixed performance. One of them is the labor market.

The average gross salary of a Polish employee grew by almost 18% between 2003 and 2013 – after adjusting for inflation – to 3650 zloty a month) and in March 2014 it surpassed the PLN 4000 level. Importantly, there was a big drop in unemployment due to both mass emigration (to other EU countries), as well as professional activation of persons of working age. The number of unemployed people in 2003 was 3.175 million, whereas in 2013 – 2.157 million. At the same time, Employment increased from 12.64 million working to 15.71 million people at the end of 2013. That leaves 1 million unemployed less, and 3 million more workers. The negative side of joining the EU was the exodus of the workforce, because of opening borders with other countries, particularly the UK. Poles who could be generating GDP in their home country have emigrated.

Poland's accession to the European Union was not only political and economic, but social. More than 38 million Polish citizens obtained formal European citizenship, which provided them with a new, broader point of reference. Poles have started to travel in large numbers, not only in search of earnings, but also as tourists. The greater mobility of citizens was related to Poland's joining the Schengen zone, and also by increased purchasing power. Polish students became equal with other EU students; previously, the costs of living and studying abroad were often an impassable barrier for Polish citizens. Polish schools, academies, and professional training centers took part in European educational programs like Socrates, Comenius, or Leonardo da Vinci. Academic-research staff had the opportunity to take part in various research and technological development programs. Polish students learned to function in an international environment.

Cooperation in such areas of European integration as education, scientific research, supporting information and communication technologies, or cohesion policies had specific consequences for Polish culture and intellectual life. Poland's entry into the EU coincided with a time of intensified activity in the EU aimed at strengthening the cultural and spiritual dimensions of European integration.

Polish membership in the EU has shown that joining European structures does not automatically translate into a country's better economic performance and improved standard of living. EU membership is an opportunity, but not a guarantee, of development. Whether a country can fully capitalize on this opportunity depends on how it decides to conduct its economic policy (Polish Ministry of Foreign Affairs, 2014).

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Chapter 6

The coordination system of EU policies in Georgia

Sergi Kapanadze

The Current Coordination System in Georgia

Georgia has established the institutional system for coordinating the EU integration process as early as 2004. The main coordination function is the responsibility of the State Minister for European and Euro-Atlantic Integration and his office, while the main decision-making body is the Government Commission on European Integration, chaired by the Prime Minister. Within the Government Commission, there are inter-agency working groups that focus on specific topics. The office of the State Minister serves as the Secretariat of the Government Commission. The State Minister facilitates the development of a policy for the implementation of the Association Agreement and the Association Agenda. The Ministry of Foreign Affairs is responsible for political dialogue and negotiations with the EU (Kapanadze, 2007).

The Ministry of Economic and Sustainable Development also has an important coordinating role, as it is responsible for developing the national action plan for the Deep and Comprehensive Free Trade Agreement (DCFTA) and coordinating its implementation (Decree of the Government of Georgia, 2014). According to the official decree of the Government from February 2014, the Ministry of Economy shall be assigned to (1) coordinate and monitor implementation of the DCFTA, (2) prepare Annual Action Plan for the Implementation of the DCFTA, (3) prepare semi-annual and annual reports on implementation of the DCFTA and (4) appoint a focal point to coordinate implementation of the DCFTA (Ibid.).

At the same time, the Ministry of Justice has an obligation to analyse the compliance of Georgian legislation with EU laws on the governmental level before draft bills are sent to

parliament. According to the statute of the Ministry approved in 2014, the Ministry of Justice has a function of studying and analysing EU *acquis*, including the decisions of the European Court of Justice, as well as the responsibility to undertake measures necessary for the legal harmonization of Georgian legislation with the *acquis* (MoJ Statute, 2014).

All line ministries have structural units related to the EU (mainly ‘European departments’) for the purpose of fulfilling specific EU commitments under their competencies. These departments are also responsible for analysing EU *acquis* in the fields of their competence and drafting necessary amendments to the legislation if so required by the Association Agreement and the DCFTA. In 2014 Ministry of Justice created a department of EU Law, which is directly charged with the harmonization of Georgian laws with EU legislation and if necessary elaborating the relevant legislative initiatives (Ministry of Justice, 2014).

The Parliamentary Committee for European Integration is engaged in preparing draft bills necessary for fulfilling the requirements of the Association Agreement. Representatives from the Parliament, including from the Committee on European Integration, participate in the meetings of the ministries’ working groups and in the Government Commission on European Integration, however they only have an advisory role.

Georgia’s system of EU coordination can be represented in the following Organizational chart.

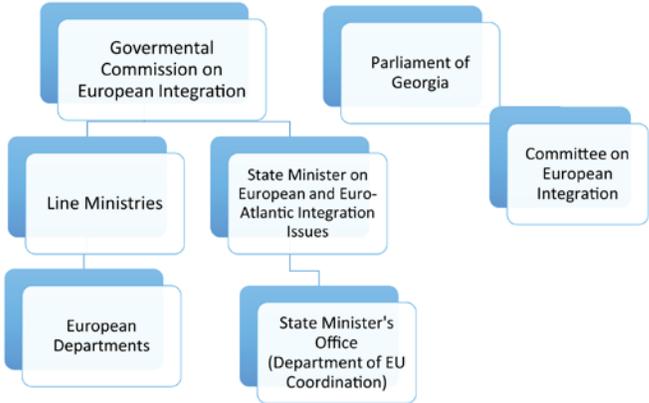


Figure 1: Coordination system of European policies in Georgia

The Office of the State Minister for European and Euro-Atlantic Integration

The office of the State Minister was created in 2004. There is no similar system in Europe, where the coordination of EU and NATO integration related policies was the task of the same institution. The only exception is the short-lived Bureau for European and Euro-Atlantic Integration in Ukraine, which was created in 2008, but did not last long as the coordination system was revamped the following year.

The position of the State Minister and his/her office has evolved since its creation. In December 2003, a Deputy State Secretary for European Integration was appointed. This position was taken over by Tamar Beruchashvili, who at the time was the Deputy Minister of Foreign Affairs (Civil.ge 09.12.2003) and is a Minister of Foreign Affairs at the time of writing of this piece. On February 17, 2004, the Parliament approved the new Government of Georgia, which included the position of the State Minister for European Integration (Civil.ge, 17.02.2004), which was retained by Tamar Beruchashvili.³²

On December 31, 2004, the office of the State Minister of Georgia on European integration was changed into the Office on European and Euro-Atlantic Integration (Resolution No. 133 of the Government of Georgia, 2004), headed by the State Minister. The unit covered not only EU-related issues, but the NATO integration process as well. The portfolio at that time went to Giorgi Baramidze, who was a politician and close affiliate of the Prime Minister Zurab Zhvania, unlike more technocratic Mrs. Beruchashvili, who maintained the post of Baramidze's deputy. The post of the State Minister at the same time was granted the rank of the Vice Prime Minister, to ensure that the coordination was carried out efficiently. After 2012 Parliamentary elections, the State Minister was stripped of the rank of the Vice-Premier, thus toning down the institutional importance of the State Minister for European and Euro-Atlantic Integration.

The State Minister is supported by the Office, which performs the role of a secretariat for a number of state and governmental councils and committees relevant for the European

³² At the time of writing Mrs. Beruchashvili was the Minister of Foreign Affairs of Georgia, appointed in 2014.

integration process. The Office of the State Minister for European Integration as mentioned above was established in 2004 under the State Minister for European Integration. At that time the Office was responsible for developing a "strategic action plan" for EU integration and coordinating its implementation, together with developing relations with EU institutions (Resolution No. 24, 2004 of the Government of Georgia).

The Office of the State Minister for European and Euro-Atlantic Integration employs 38 persons; about half of them work on NATO integration, and half on EU issues (Decree 100 of the Government of Georgia 2014). At the time of creation in 2004 there were only 26 persons in the Office. The main department that deals with the coordination of the EU policies is the Department of Coordination of EU Issues. Together with this department there is a Department of the Coordination of EU Assistance (Official web-site of the Office of the State Minister).

In 2004 the functions of the Office of the State Minister for European and Euro-Atlantic integration comprised of the development of a strategic vision with regard to the EU, monitoring the implementation of the Partnership and Cooperation Agreement, cooperating with EU institutions, participating in the Partnership and Cooperation Agreement institutions (Cooperation Council, Cooperation Committee, Cooperation Subcommittee), developing proposals for aligning national legislation with EU legislation, planning EU supporting programs in Georgia, implementation and monitoring, deepening cooperation within the European Neighbourhood Policy, and other functions (Resolution No. 133 of the Government of Georgia, 2004:2-4).

After the signature of the Association Agreement the functions of the State Minister changed. According to the decree of the Government adopted in January 2014 the Office of the State Minister is tasked with coordinating the EU policies related to the implementation of the Association Agreement, DCFTA (together with the Ministry of Economy) and Association Agenda, promoting the cooperation with the EU within the Eastern Partnership and European Neighbourhood Policy and a number of other functions (Decree 100 of the Government of Georgia, 2014).

Government Commission on European Integration issues

On July 10, 2004, the Government Commission for EU Integration was established (Resolution No. 76 of the Government of Georgia, 2004), headed by the Prime Minister of Georgia and involving all the members of government and the deputy State Minister for European Integration. The Chairman's deputies are the Minister of Foreign Affairs and the State Minister. One of the commission members is also a Head of the Department of EU Coordination Issues at the office of the State Minister, who also serves as the Secretary of the Government Commission (Decree 1488 of the Government of Georgia, 2014). It should be noted that in 2000, a Government Commission was created that was responsible for promoting the Partnership and Cooperation Agreement between the EU and Georgia, promoting the alignment of Georgian legislation with the EU *acquis*, supervising the implementation of the decisions made by the Georgia-EU Cooperation Council and the Commission, controlling the fulfilment of international commitments taken within the Partnership and Cooperation Agreement, and informing society and governmental agencies about Georgia-EU relations (Decree No. 317 of the President of Georgia, 2000).

The main functions of the Government EU Integration Commission are: a) promoting the coordination of activities of the relevant Georgian agencies, b) developing proposals and recommendations with an aim of furthering European integration of Georgia, c) developing recommendations to strengthen cooperation with the European Union and Member States, d) ensuring the implementation of the Partnership and Cooperation Agreement and other international commitments, e) reviewing the information and recommendations of the Georgia-EU Cooperation Council, Committee and Sub-Committee, f) supporting Georgia's effective participation in the European Neighbourhood Policy, participating in the elaboration of an ENP action plan, supporting its performance, and reviewing the activities; (g) elaborating programs for informing state agencies and society about the Georgia-EU Partnership and Cooperation Agreement and the European Neighbourhood Policy, supporting the implementation of these programs, and reviewing information about their implementation, h) discussing the performance of bilateral governmental commissions between Georgia and EU

member states, i) discussing the planning and implementation processes of cooperation and assistance programs (financial, technical, humanitarian, etc.) of the European Union and Member States, and developing recommendations for increasing their effectiveness (Resolution No. 76 of the Government of Georgia, 2004).

Ad hoc coordination institutions

A number of times when Georgia was negotiating with the EU, temporary committees or working groups were created for negotiating specific issues with the EU. For instance, in 1994, a special task force was for negotiating the Georgia-EU Partnership and Cooperation Agreement, and protecting Georgia's interests during the negotiations (Resolution No. 93 of the Government of Georgia, May 3, 1994).

In July 2005, the Government of Georgia established a Commission for Elaborating Georgia's Position and Negotiating with the EU, within the European Neighbourhood Policy Action Plan. The commission had two co-Chairs: The Minister of Foreign Affairs and the State Minister on European and Euro-Atlantic Integration. The Minister of Foreign Affairs was responsible for the overall supervision and management of the negotiation process within the European Neighbourhood Policy Action Plan, while the State Minister on European and Euro-Atlantic Integration was responsible for the overall supervision and management of the elaboration process of Georgia's position within the European Neighbourhood Policy Action Plan (Resolution No. 112 of the Government of Georgia, 2005).

On November 3, 2005, the Government Commission for Interagency Coordination on the Realisation of Georgia's Priorities within the European Neighbourhood Policy and NATO Integration Process was established (Resolution No. 195 of the Government of Georgia, 2005). The Commission consisted of the Deputy State Ministers and was headed by the State Minister.

In April 2009, a task force for interagency coordination was created concerning the preparation for the Deep and Comprehensive Free Trade Agreement (DCFTA) within the framework of the

Georgia-EU integration Commission, which was responsible for elaborating Georgia's position on the DCFTA (Resolution No. 78 of the Government of Georgia, 2009). Interestingly, the task force was supervised by the head of the Advisory Group to the Prime Minister of Georgia, Ms. Tamar Kovziridze -- and not by the Minister of Foreign Affairs or a representative from the Office of the State Minister on European and Euro-Atlantic Integration. The Georgia-EU Integration Commission replaced the Government Commission on Coordinating the Preparatory Activities for Signing the Free Trade Agreements with the EU and the U.S. that was created by Resolution No. 21 of the Government of Georgia, dated February 12, 2009 (Resolution No. 78 of the Government of Georgia, 2009:2).

Ministry of Foreign Affairs

Ministry of Foreign Affairs of Georgia was always one of the drivers of European integration process, however it almost always lacked a capacity or domestic standing to ensure the coordination of European policies and implementation of the obligations vis-à-vis the EU.

Ministry of Foreign Affairs of Georgia has a European integration department consisting of several divisions responsible for the institutional management of European integration process. Before 1996, there were no units in the Ministry of Foreign Affairs responsible for the EU-related issues, as the Ministry was still in the process of developing as an institution. For instance, the Statute of the Ministry of Foreign Affairs of Georgia of July 1996 define roughly the same structure as the Statute adopted in 2000, except that in the 1996 version, there is nothing about the EU or the European Community (Statute of the Ministry of Foreign Affairs of Georgia, 1996). This is understandable, considering that there were no institutional relations between Georgia and the EU at that time, since the Partnership and Cooperation Agreement had not entered into force yet.

In 1997-1999, EU-Georgia relations were dispersed between the Department for International Economic Relations and the Department for International Organisations, within the Ministry of

Foreign Affairs. According to the Regulations of the Ministry of Foreign Affairs of Georgia adopted in 1998, the Department for International Economic Relations was responsible for coordinating economic relations with foreign states and international organisations, such as UN and its economic and financial organisations, the EU, OSCE, World Bank, International Monetary Fund, European Bank for Reconstruction and Development, etc. (Regulations of the Ministry of Foreign Affairs of Georgia, 1998:14). In addition, its obligations also comprised participation in international conferences and forums, as well as regional organisations (European Union, Organisation of the Black Sea Economic Cooperation (BSEC), Commonwealth of Independent States (CIS), Transport Corridor Europe-Caucasus-Asia (TRACECA), etc.) (Regulations of the Ministry of Foreign Affairs of Georgia, 1998:14). The Department for International Organisations was responsible for supervising collaboration with the UN, OSCE, various units of the EU, and other international organisations in regards to foreign affairs (Regulations of the Ministry of Foreign Affairs of Georgia, 1998:13). The main responsibilities were under the competence of the Department for International Economic Relations.

In 1999, a Department for EU Relations was established within the Ministry of Foreign Affairs, when the 1996 Partnership and Cooperation Agreement actually entered into force. The Ministry decided to introduce a new department for monitoring the execution of the agreement and prioritizing Georgia-EU relations (Kapanadze, 2009:148).

The objectives of the Department for EU Relations in the Ministry of Foreign Affairs were:

- a) Coordinating the cooperation between sub-units of the Ministry of Foreign Affairs, as well as agencies and organisations supporting Georgia-EU integration;
- b) Supporting the realisation of the EU-Georgia Partnership and Cooperation Agreement;
- c) Ensuring effective performance within the framework of the EU Cooperation Council;
- d) Supporting the fulfilment of Resolution 828-I of the Parliament of Georgia, dated September 2, 1997, concerning the compulsory alignment of Georgian legislation with the EU *acquis* and the requirements of Article 100(a) of the Maastricht Treaty, entailing approximation to the Internal Market;

- e) Providing Foreign Ministry officials, as well as other ministries and government agencies, with analysis of the ongoing processes in the EU, statistical data, and other relevant information;
- f) Close cooperation with the Georgian representation in the EU, as well as with the European representation in Georgia, preparing relevant guidelines and sharing information;
- g) Supporting rehabilitation projects implemented by the EU in Georgia under the competences of the Ministry of Foreign Affairs, including technical, humanitarian, and other programs as well as monitoring and cooperating with the agencies set up for realising these projects and programs, for the purpose of sharing information and elaborating proposals (Regulations of the Ministry of Foreign Affairs, 2000:18).

The Department for EU Relations functioned until 2004 (Regulations of the Ministry of Foreign Affairs, 2004). During the term of office of Foreign Minister Salome Zurbishvili (2004-2005), the departments for EU relations and European States merged, and a Department for European Affairs and EU Integration was established, with separate units for EU relations and relations with the European states (Kapanadze, 2009: 149).

In 2005, as a result of leadership change in the Ministry of Foreign Affairs, the structure of the Ministry was modified once again, and the Department for European Affairs and EU Integration was divided into two independent departments (Regulations of the Ministry of Foreign Affairs, 2005). This structure is still in place. There is an independent department in the Ministry that is responsible for European issues, and in particular for bilateral cooperation with European states. In addition, there is a Department for EU Integration responsible for cooperation with the European Union and its institutions, as well as for coordinating the performance of Georgia's permanent representation in the European Community. The Department of EU Integration consists of two units: a) a unit for Georgia-EU cooperation, and b) a unit for coordinating analysis of EU policy and programs (Decree No. 242 of the Minister of Foreign Affairs of Georgia, 2009).

Other institutions

All Georgian line ministries have special sub-units (either a unit, department, or division) for dealing with EU integration issues (European Commission, Georgia Country Report, 2005:5). These structural units have liaison officers that collaborate with the Office of the State Minister for European and Euro-Atlantic Integration. According to one high-level official from the Office of the State Minister, this cooperation supports the Office of the State Minister in effectively coordinating the performance of all the agencies. The independent units for EU relations within all the governmental agencies were introduced in 2004, according to Resolution No. 22 of the Government of Georgia, 2004.

After the signature of the Association Agreement it became necessary to reinvigorate these departments within the line ministries, who are now tasked with the implementation of the Association Agreement. Several departments were strengthened, or created a new, for instance in such ministries as the Ministry of Agriculture, or the Ministry of Environment. As mentioned above Ministry of Justice established a new Department dealing with the adoption of EU *acquis*.

The Parliament of Georgia also participates in the EU integration process. In 2004, a special parliamentary Committee for EU Integration was established. The Office of the Committee is responsible for implementing the Committee's activities and supporting the Committee leadership and members with organisational, legal, informational, technical, and other services. The Committee is also responsible for drafting laws and providing legal expertise for the harmonisation of Georgian legislation with EU standards, supervising the implementation of resolutions and other decisions of parliament, and monitoring the fulfilment of the obligations within the EU Partnership and Cooperation Agreement Action Plan. In addition, the EU Integration Parliamentary Committee establishes relations with various diplomatic missions in Georgia and participates in collaborations between the Parliament of Georgia and EU Parliaments.

The Public Advisory Council, launched in 2005 as an initiative of the State Minister of Georgia on European and Euro-Atlantic integration, also has a certain, albeit limited role. The Council consists of non-governmental organisations, academic and business networks, and media representatives. The State minister consults it when needed (website of the Office of the State Ministry).

Conclusion

To summarize, there is a specific system for EU-related policy coordination in Georgia that is not analogous in other European countries. While developing the Georgian coordination system, a number of opinions and experiences of other European countries were shared and consulted, such as the Estonian, Lithuanian, Romanian, and Croatian practices.

The Georgian system is a hybrid of those models where the coordination of EU-integration processes was conducted by Ministries of European Integration, independent agencies, and the Prime Ministers' offices. Georgia does not have a Ministry of European Integration (such as in Romania); however, it does have an Office of the State Minister that legitimises the idea of European integration and gives it particular importance. Despite the fact that the State Minister does not have a portfolio, it still has high value because he/she supervises the policy of two priority spheres: NATO and EU integration. At the same time, the Office of the State Minister is close to the Prime Minister, as it belongs to the Governmental Chancellery. At the same time, the Office is not a part of the Prime Minister's Office, which gives it a certain level of independence.

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Chapter 7

Challenges facing the coordination of EU policies in Georgia

Elene Khoshtaria

Overview

EU membership is one of the main objectives of Georgian foreign policy. After gaining independence in the 1990s, Georgia and the EU developed certain relations, including a legal framework. The 2000s were very important in terms of EU-Georgia political and institutional convergence. EU involvement in Georgia's security, as well as political and democratization issues increased. The eastern enlargement of the European Union brought the EU closer to Georgia geographically. Although there are no clear statements from the EU concerning Georgia's accession into the EU, certain significant changes took place during the past decade that increased Georgia's EU membership prospects.

By signing the Association Agreement in 2014, EU-Georgia relationship moved to a new level, which is important in respect to foreign policy and the implementation of reforms within the country. In particular, the effective implementation of the Association Agreement will be an important step towards Georgia's EU accession on the one hand, and a powerful incentive for the country's modernization and democratization on the other.

The implementation of the respective reforms as part of the Association Agreement is a complex process in relation to a number of difficulties: 1) politically, economically, and socially sensitive decision-making; 2) specific knowledge and expertise; 3) mobilization and distribution of financial resources; 4) maintaining high level of popular support for European integration.

The Association Agreement is a 1000-page document that includes the political aspects of cooperation, sector reforms, and the establishment of a deep and comprehensive free trade area. It is related to reforms covering virtually all areas, including the development of democratic institutions, such as the judiciary, reforming of the economy, agriculture, trade, and energy. The agreement also envisages the transposition of close to 300 EU directives. The reforms will influence practically all groups in Georgian society. Despite the fact that the implementation of the Association Agreement and Association Agenda will eventually turn Georgia into a European, democratic, and economically prosperous state,³³ will increase prosperity and ensure justice, the process of implementing it will be painful and will definitely require unpopular steps.

Sensitivities related to the implementation of the obligations undertaken vis-à-vis the European Union were well manifested during the adoption of the anti-discrimination law in Spring 2014. Adoption of the anti-discrimination legislation was prescribed by the Visa Liberalization Action Plan, which is roadmap for Georgia's visa liberalization with the EU. Part of the society vehemently opposed the law, arguing that it was in conflict with Georgian traditions and interests, with a focus on the unacceptability to have sexual orientation and gender identity as the grounds for discrimination. Government had to pass the law despite the huge pressure from the Georgian Orthodox Church and other interest groups (Civil.ge, 29.04.2014). Changes in other fields, such as environment, energy sector and agriculture will be even more painful, as it will affect the conditions of particular social groups.

Second challenge is that the introduction of the new practices and legislation per Association agreement will require generation of new knowledge and expertise. In particular, reforms in the transport sector, phytosanitary measures, financial services, and the state audit will need the advice of specialists with the respective education and knowledge.

³³ For additional information see "Guide to EU-Georgia Association Agreement", February 2014, (see. EU-Georgia Association Agreement, 2014)

Accordingly, for the successful implementation of the Association Agreement it is essential that there is clear political will, a disciplined, smooth process, coordinated collaboration of the various governmental agencies, and information for the public about the ongoing changes. In this context particular attention is paid to how the reforms are presented to the public and to what extent is the European Union blamed for the painful reforms. In 2013-2014 Government of Georgia “blamed” on the European Union the negative aspects of the laws on migration and broadcasting, as well as the necessity to introduce excise tax on beer. In reality in most of the cases the legislative changes had nothing to do with the European Union’s requirements. Therefore, in order to sustain high support for the European integration in Georgia, Government will need to use selective rhetoric in order not to risk the high popular support.

It should be noted that despite these difficulties, Georgia has certain advantages that could contribute to the success of the European integration process. These positive factors include: 1) learning from the similar experiences of the Eastern European countries that joined the EU; 2) public consensus concerning EU integration; 3) accumulated experience from previous phases of intense relations with the European Union, including coordinating the implementation of agreed-upon reforms with the EU.

Sharing Experiences

The experiences of the Eastern European countries concerning the EU accession process are important source for Georgia in order to avoid errors and successfully implement reforms. At the same time, differences between the countries and specifics should be considered while sharing experiences.

One of the fundamental differences between Georgia and the Central and Eastern European countries is the political and security context in Europe after the Cold War. In the 1990s, the EU had a clear will concerning the accession of the Eastern European countries, which is not the case with regard to the Eastern Partnership countries. Moreover, Russia did not resist the

European integration of the Central and Eastern European States to the extent it opposes the integration of the Eastern Partnership states. Russia's military actions in Ukraine in 2014 are connected with Ukraine's EU orientation and created a completely different and complex geopolitical context. Russia's occupation of Georgian territories and Russia's direct leverage over Georgia further aggravates this factor, and distinguishes the Georgia case from the Central and Eastern European states.

Other than the political context, the very nature and process of the EU-Georgia Association Agreement is also different. For the Central and Eastern European countries, the Association process formally served as the stage before the EU accession. This is well manifested in the first four chapters of this volume. The EU's political will concerning the membership perspective of the CEEC was formally reflected in the Association Agreements and known since 1993. In addition to its symbolic meaning, the Association Agreements facilitated the decision-making process for sensitive and painful issues, and also eased public perception concerning the reforms. No matter how painful some of the changes, the benefits of membership were driving the changes. This also increased political pressure on decision-makers, as failure in reforms was perceived as a hindrance to EU accession and was politically disadvantageous. In the case of Georgia, the absence of membership perspective will remain one of the main challenges for the successful and timely implementation of reforms. Politicians and government representatives will have to make painful choices and possibly even unpopular choices, in the short-term perspective about the needed reforms, without having any imminent political benefit. Under these circumstances, there is a temptation to delay reforms or the reforms may be improperly implemented, that in the end will negatively affect the overall success of the Association Agreement.

Despite the fact that, as in the Eastern European countries, EU accession in Georgia has high public support, due to the factors mentioned – namely the geopolitical context as well as the absence of formal prospects for EU accession - maintaining public support will be much more difficult in Georgia's case (Georgian Government's Communication and Information Strategy on EU Integration for 2014-2017).

Differences in economic structure and resources of the CEEC and Georgia means that the most sensitive areas during related to the implementation of *acquis* vary from state to state. Therefore, while sharing and drawing from the experiences of the specific countries, it is important for the Georgian decision-makers to select relevant countries and cases prudently. In addition, it is also important to learn not only from the success cases, but also from the failures and mistakes as well. Therefore, while sharing experiences, it is of utmost importance to choose countries and specific cases prudently, based on the preliminary analysis.

Another important difference between the Central and Eastern European countries and Georgia's Association Agreements is the degree of specification. In Georgia's case, the Association Agreement is more thorough and includes a detailed list of specific reforms that were agreed upon before the signing. On the one hand, it facilitates the work and discipline, as it makes it possible to plan the process in a clearer way from the very beginning. On the other hand, its implementation is a much bigger burden. This is mostly relevant with respect to the Deep and Comprehensive Free Trade Area that was not part of the Association Agreements of the Eastern European countries, while in Georgia's case it is an integral part. The largest share of sensitive reforms is connected precisely with the DCFTA.

These differences notwithstanding, the experiences of the Central and Eastern European countries is a unique learning tool for Georgia for conducting a technical process and functioning coordination mechanism, as well as for conducting sectoral reforms.

Public Support

In Georgia, public support for EU membership is high, exceeding 70% every year since 2009 (CRRC, 2009; CRRC, 2011; CRRC 2013). The positive attitude of the majority of the population concerning EU integration has not changed with the change of Government in 2012 or other crises in Europe and Georgia (NDI, 2015).

At the same time, there are a number of challenges that require special attention and targeted work. These are connected with Georgia's geopolitical context; in particular, Russia's opposition to the EU accession process, as well as objective factors of the implementation of the Association Agreement itself.

Russia's military actions in Ukraine, that were related to Ukraine's intention to sign the EU Association Agreement, demonstrate Russia's strong plan to prevent the success of the Association Agreements in the region. One of Russia's instruments is influencing public attitudes, via 'soft power.' A central element of this soft power is spreading false information or creating 'myths' about the EU. This strategy became obvious in Georgian society during the last year (Kapanadze, 2015). These myths are connected with traditional and religious issues, as well as with the security and economic factors. Most strikingly the myths are quite similar across the Eastern Partnership states (GRASS, 2014). Russia usually uses wide spectrum of tools to promote these myths, including the local non-governmental organizations, political parties, Orthodox Church and those societal groups, who could be affected by the changes stemming from the Europeanization.

In addition to the controversy over values, there are a number of myths about economic threats. In particular, there is a constant debate whether high volume of trade with Russia is compatible with the high volume of trade with the EU, and whether the European integration will hinder trade and economic ties with Russia (EPRC, 2015). This is further aggravated by the opening of the Russian market to Georgia in 2013 and Georgia's increased dependence on exports to Russia.

A very important challenge is the public's expectations about EU integration, expectations that will increase with the Association Agreement and the prospect of lifting the visa regime. Expectations of instant and radical improvement of well-being might negatively affect public support for the EU if they are not fully met. The changes caused by the deep and comprehensive free trade area agreement will further deteriorate the situation. The enforcement of the DCFTA requires a number of regulations and resource investment from

small and medium businesses and people employed in agriculture; this most likely will lead to their increased dissatisfaction with the EU.

The impairment of public support for EU integration will reduce the government's political resources concerning implementing reforms and making bold decisions. As such, the Association Agreement implementation plan should be part of a comprehensive strategy for communication with the public, which should not only promote the popularization of European concepts, but also manage expectations, and prevent possible challenges. In this regard it is important to:

- Identify interest groups according to their vulnerability;
- Analyze and systematize false information spread in the society by anti-European groups;
- Adopt flexible working methods with the public and consider the specificity of the various groups;
- Prepare the ground for implementing reforms by conducting discussions in advance, not afterwards;
- Ensure the involvement of society before the implementation of reforms in order to increase their participation and sense of ownership;
- Use the examples and experiences of the EU member states;
- Engage public authorities, including local authorities in the regions, in the process.

Adapting a Coordination Mechanism

Georgia has developed a rather effective mechanism for coordinating relations with the EU as described in chapter 6. Moreover, there is a certain institutional memory and a group of bureaucrats with significant knowledge concerning reforms of various agencies. In addition, shifting to the Association Agreement level requires revision of these mechanisms, sharing experiences, and making amendments. This is especially important because of several factors:

- The scale of the Association Agreement and the reforms envisaged by the AA;
- The necessity of the reforms which are sensitive and will have a painful social effect in a number of spheres;
- A coalition government that increases the chance of resistance on certain issues;
- The importance of the Association Agreement's success.

The Office of the State Minister for European and Euro-Atlantic Integration plays a central role in the coordination system. Despite this agency having a mandate of a special coordinator, its status and influence may be questioned while implementing the reforms encompassed by the Association Agreement. Considering the fact that since 2013 the State Minister for European and Euro-Atlantic Integration no longer serves as a Vice Prime Minister, this challenge becomes more obvious.

The obligations stemming from the Association Agreement envisage the reforms to be conducted with the cooperation of various agencies. There is therefore a need for a mechanism that will summarize the position of different offices. The Ministry for European and Euro-Atlantic Integration, having no specific political status or coercion mechanism, may not be able to negotiate the positions, and thus may hinder the reform process. Considering that a number of reforms concern socially and politically painful issues, a coercion instrument would serve as a necessary element for success.

Implementing the Association Agreement agenda requires the introduction of up to 300 instructions of the EU that will cause a number of legislative changes. Even a new term – 'legislative hurricane' -- was used to describe how new legislation was adopted under stressed and limited time in the experiences of the Central and Eastern European countries. Up to 80 legislative initiatives are planned only in the first year of Association reforms, in 2015 (National Action Plan for the Implementation of the Association Agreement, 2014); the number of reforms in the subsequent years will further increase. Therefore, it is important to establish an effective mechanism for coordinating with the Parliament.

Based on this, it is essential to get the coordination mechanism closer to the Prime Minister, who is the primary decision-maker. Returning the status of Vice Prime Minister to the State Minister for European and Euro-Atlantic Integration is one of the ways for accomplishing this.

A mechanism for compliance checking would be of great importance in the implementation of the Association Agreement. In order to assure legislation is compatible with the EU requirements, and to avoid any incompatibilities, it is necessary to create a group specifically for analyzing the compliance of all legislative initiatives with the AA requirements. Based upon the experience of the Eastern European states, this function was more or less fulfilled by the Ministry of Justice.

One more important challenge in the implementation process of the Association Agreement is the lack of qualified personnel. This problem is caused by objective reasons as the changes envisaged by the AA are connected with procedures that never existed before. For instance, the introduction of a food safety system requires specialists to develop new procedures based on European regulations (legal and normative acts), implement and monitor them, and establish the mechanisms of accreditation. Therefore, it is essential to analyze the necessity of this expertise and implement it in the policy of human resources development in the sector ministries.

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