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**Possible enlargements of the  
European Union with special  
regard to the Hungarian relations**

**Doctoral (PhD) thesis**

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## **1. Aims, hypotheses**

The eventual further enlargements of the European Union (EU) will make a significant effect on Hungarian economy. Especially two large interconnected regions which are important partners of Hungarian enterprises, can play a crucial role due to their extent, geographical proximity, complementary economy and relative under-development: *Western-Balkan and Eastern-Europe*.

One of the aims of the dissertation is to present the potential new partners/members and to examine their degree of conformity to the requirements defined by the EU and especially to the Copenhagen Criteria (1993):

- stability of institutions guaranteeing democracy, the rule of law, human rights, respect for and protection of minorities;
- existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union;
- ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

A further aim of the thesis is to analyze in what extent the concerned countries are able to take up the Community achievements (*acquis communautaire*), what the influence of the present transition-transformation will be on their socio-economical situation or what effect their transformation can produce in the EU.

Hungary, and first of all the Hungarian economy will be strongly influenced by the enlargements. The purpose was to explore the level of bilateral and regional relations and to define the main potential domains where a close cooperation seems to be especially prosperous on governmental, large and small enterprises or cross-border level.

A proactive Hungarian attitude supporting the regional development of the two areas can facilitate the coming into existence of a more intensive political, economical and cultural cooperation between the countries or groups of countries in the future, and we can even act as a bridge between the two regions. The basic presumption is that such a role can be one of the priority objectives of the Hungarian foreign policy and external economy strategy and in case of professional achievement it can offer advantages to all of the partners: Hungary, other Union members and the (possible or potential) candidates countries too.

## **2. Content, method and justification of the research**

According to the aims above, the thesis gives a presentation and an analysis of all the countries in Europe which are not members of the integration yet but in the sense of the Treaty of Rome and the Treaty of Lisbon they have the possibility to access. The first part of the study deals with the EU arrangements and the actions taken by Brussels on one hand and the social-economical situation of the involved countries, their attitude toward the Union accession on the other hand.

First an analysis of the two main groups of countries is given:

Western Balkan: *Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, Serbia and Turkey*;

Eastern Europe: *Azerbaijan, Belarus, Georgia, Kazakhstan, Moldavia, Russia, Armenia and Ukraine*.

For each region eight countries. None of the regions is homogeneous but in the literature (EU, etc.) the contraction is accepted. Turkey has liked to be a member for long time, Kazakhstan and Russia do not want to access; the essay presents their different situations in details. The research deals with the state formations which have not been acknowledged by the Union and by many European countries yet but have several attachments to Europe and they are partly acknowledged diplomatically: *Abkhazia, South-Ossetia, Mountain-Karabakh, Transnistria, North-Cyprus*.

To this group belong countries which are not members of the two regions and do not want to access to the Union but are in Europe. On the basis of their agreements with Brussels they can be divided in two main groups: Micro states: *Andorra, Monaco, San Marino, Vatican*;

Countries of EFTA: *Iceland, Liechtenstein, Norway and Switzerland*.

As a method of processing the study searched, described and analyzed the common and different characteristics of the 29 concerned countries. Where reasonable, short historical backgrounds were given, in the case of young states the date of their foundation was taken as starting

point. In the analysis of the Union the main aspect was to examine the current state of the negotiations between the particular countries and to give a look to future intentions. Therefore the countries of the two main groups were divided in two: candidates for membership or potential members and countries wishing or not wishing to access.

The dissertation deals with general, EU-related and Hungary-related information separately. Descriptive parts are organized on the basis of logical criteria and usually have an assessment part too. Comprehensive SWOT-analyses were carried out for three candidates and five potential candidates for membership from the Western Balkan region which are eventually the earliest countries to access.

A marked role is given to the search of their relations to Hungary and more precisely to Hungarian economy. Beyond the presentation and analysis of bilateral trade of goods, the more and more important role of services and the increase of capital investment are represented too. In some cases the thesis adverts to approximation of laws, transformation of market conditions, privatization and eventual removing of administrative limitations.

Economic activity can not be separated from the activity taken up in general policies or in safety policy. The essay adverts to the topics above and gives a short overview of cultural contribution because they are parts of international relations and they can do a lot – sometimes more than the general policy – for the mutual recognition and for the

discovery of real values. Conclusions taken from the analyses are in the particular chapters or in the final conclusion.

On behalf of the realisation of these purposes the reviews of literature from the concerned countries and from Hungary were used during the research and some of the main statements were expended and published with critical remarks where it seemed to be reasonable. Because of the huge quantity of literature in relation with the enlargements and the wide range of specialized policies it was necessary to make a strict selection the size of the thesis has limited the quantity of possible quotations.

It was different in the case of young states: for some of them there is a total lack of sources, their national identity has not been defined yet, they are constructing their national symbols, the glorious past, or the development of independent specialized policies has just started. In many cases there is not any basic information, and the modern data system either does not exist or is not available. These problems make difficult the research not only for the author but also for the administration of the countries that can not make the proper decision if the starting basis and the possibilities are unknown.

In some cases it seemed to be founded to go back into the past. This was necessary especially with regard to Hungary, for the good understanding of the present and for the foundation of future bilateral relationship. Two significant characteristics are common: close

cooperation, mutual respect, common traditions and values for about one thousand years on one hand, and discord, ruining the other part (and oneself), for the last one hundred years on the other hand.

### **3. Results**

The dissertation offers a clear, thematically organized presentation of the concerned or probably concerned countries. The first result is the selection and classification of the information available, which has been completed by general analyses and assessments in which it is easy to understand the current state of negotiations between the Union and one or another country, and to see how far the enlargement programmes have gone in Brussels.

The study ranges the related countries in regions and subregions, examines together their common characteristics and together the differences among them. The presentation of the results of the research follows the same division. The statements which are valid for only one country are given in thematic and logical order.

Results of the research support that

- many European countries non-members of the Union are far from the basic requirements of the EU as their economies and societies, although European civilisation, European way of development and integration to Europe is strictly connected to the enlargements of the Union;

- the speed of accession depends mostly on the policy of all time and only secondly on the maturity of the candidate. The accession at time other (earlier or later) than the planned was, (it means when both parties can carry out their obligations) will be more expensive than a modification of the deadline would be;

- the enlargement must not stop, at least it can be more slowly because of the present crisis and financial problems, also holding off countries from the accession requires billions of euros. The enlargement policy is not responsible for the present difficult situation of Union's economy. The order of accession does not correspond to the position already achieved by the candidates in the EU, two of the three candidates for membership are almost as developed as other potential candidates and the advantage of potential candidates is not much bigger than other Eastern European countries, the order can change at any moment;

- the demonstration of a proactive helping attitude in the diplomacy from the part of Hungary can bring up some advantages both for the related countries and for Hungary. The accessions can be positive to Budapest but not automatically; it depends mostly on the determinate government policy if we have more advantage or more disadvantage,

- the conscious realisation of the role of bridge/centre under appropriate professional direction can give a favourable position to Hungary; such purposes require coordinated government strategy and appropriate allies among members and non-members. Due to our relative maturity (not financial sources but professional experience and infrastructural background) we have most of the devices which are necessary to form the regional centre and can grant further advantages.

#### **4. Conclusions, suggestions**

The Union will be expanded even if more slowly than it was expected. Hungary, due to her geopolitical situation can not be indifferent to the changes of the accessing countries. Not only the geographical neighbourhood but also the advanced development, and experience can offer advantages: Budapest has the opportunity to attend the function of mediator in West-Balkan and East-Europe. The dissertation sees as confirmed the statement that it is worth to take up this role. Besides the patria has the direct and unquestionable responsibility towards Hungarians living in Croatia, Voivodina and Sub-Carpathia. The starting point, to elaborate a good nationality strategy, is an old task, but its realisation now requires new qualitatively different approaches.

The dissertation makes clear: Hungary has to use all of the available means of economical diplomacy and external economy policy to enhance our regional relations. Now has the good chance but later we can lose it. The dissertation presents in short the most important specific tasks to execute, and appoints the institutions responsible by their basic competence for the professional execution of the tasks.

Hungary has double interest in the accessions: it is clear that the resources of catching-up funds will not increase much during the next seven-year budget cycle (2014-2020) because the Union is just going through one of the most serious crisis and at this moment it is not

possible to see the end of the crisis. (NB.: the current crisis was/is always the worst but the Union has always survived any previous crisis). The eventual future subventions probably are going to be divided in several parts and Hungary, being a member already, is going to get less. From this point of view the late accession can be advantageous, and we have to know that Budapest will not have the opportunity to decide. The accession of Western Balkan and Eastern Europe can bring long-term advantage and/or disadvantage which is going to go over the frame of the subvention of a new budget period.

It is essential for Hungary to develop friendly relationship with the partners in the Balkans and in Eastern Europe, to support their catching-up to the Union, because it brings advantage to them, to the EU and to Budapest as well. The Hungarian efforts made for the accelerated accession will pay back soon in other fields – investment protection, participation to the privatization, tax relief, etc. There are a lot of subfields where we can give concrete support due to the fact that we have some years in advance in political-economic development. The essay presents all in one and also every one of them with regard to the particular countries.

The chapter dealing with Hungary emphasises: being the Gate of East is a unique opportunity: Budapest is at the historic moment. The position of Hungary which we can acquire in the next years (five to ten years at maximum) will be decisive for the years to come, maybe for decades of years to come. This is essentially the responsibility of the

government of all time to act in favour of the cause. The upcoming Hungarian presidency - unique opportunity – offers especially favourable opportunities. For the preparation of decisions the appropriate supporting background materials are important and that was one of the points of view in the realisation of the present dissertation.

Due to her geographical situation Hungary can be the interconnecting point (cluster centre) for the enlargements. She can mediate between Western Balkan and Western Europe or between Eastern Europe and Western Europe. She can take a significant position between Western Balkan and Eastern Europe as well. The dissertation brings forward the most important steps to make in the politics, economy and culture. The right time is here: just now. Transformations are being closed; privatization and the distributions of the markets are being terminated. There are more candidates wishing to have the role of a cluster-coordinator but the task is not easy because of the heterogeneities of the zone, the different interests of nations and nationalities, and at last but not at least the traditional past.

The practical proposals of the dissertation are focused on the everyday life: they can offer useful information, conclusions and propositions for the political and economic decision-makers as a concise background material: the concrete propositions drive to resolve concrete problems.

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