



Visegrad Group: A “counterweight” within EU system

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Abstract

The complex and challenging life and activity of today, especially in European area, made me choose a topic subject: some misunderstandings and worries between the EU (generically speaking) and a group of state, a real entity in the Eastern flank of the Union, i.e. the Visegrad Group. Basically, we intend to highlight the role and the importance of some states' organization and functioning within a larger community of states, or on a continent, or worldwide other than Visegrad Group, based on political, economic, social, interests, in the mutual benefit of the Member States. But, it is not the same thing, because in our case it's about a unique politic and economic construction, the European Union, in the second case it's about a group of countries dealing with the strengthening of complex co-operation between them. The idea is to emphasize the importance of this kind of politically mainly organization in the balance of other economic and social systems. It's not about bipolarity, but of an *organizational entity* in the benefit of the respective community niche and in strengthening the cohesion of the larger structural system.

Keywords: Visegrad Group; Organizational Entity; Balance; Realism; Unity

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1. The background and status

The European Union, this original political and economic construction, during the last period suffered from many challenges, mainly exogenous, but also endogenous, from different Member States, regarding some vital issues. In this paper, we've started from the Plato's thinking regarding the good administration of a *polis* (state), from one hand and, on the other one, from French Léon Walras (1834-1910) economic thought based on the principle of "*interconnecting vessels*".

The great Antique Greek philosopher Plato thought that a *vast polis* it is difficult to be administered, precisely because of the large surface area and of the departure from the heart of the power, of the decisional place (Trifu, 2005). In our case, The European Union, through the last waves of expansion, almost gripped the entire Europe, until the Balkan-Baltic Isthmus.

We have to go in the history, more precisely in the year 1335, when at Visegrad castle town took place a meeting of the time rulers of Bohemia, Poland and Hungary. The three countries agreed to find other commercial ways to reach the European markets and to avoid (to bypass) the staple port of Vienna (i.e. the future Hapsburg Empire), in fact, the gate to enter the Western civilized and developed Europe.

The current format of the Visegrad Group was created in 1991, at the meeting of the presidents of Czechoslovakia-Václav Havel, Poland-Lech Wałęsa and the Prime Minister of Hungary Antall Jozsef., in the medieval castle town of Visegrad in Hungary. After the dissolution of Czechoslovakia in 1993, now the Group is formed of four countries: Poland, Czech Republic, Slovakia, Hungary, hence the other name of it: Visegrad Four.

A fact to be taken into account is that of a high level of economic development and social relationships inherited from the communist era, when Poland, Hungary and Czechoslovakia (and German Democratic Republic) were noun as being the top of communist system.

Regarding the current status, we regard this group, a real entity, from economic and demographic points of view. Economically, for example, the entire group registered a Gross Domestic Product/capita (PPP) in 2013 over 25,000 USD. This aspect shows us four countries of high-income economies and, considered again as a single entity, the Visegrad Group represents the fifth largest economy in Europe and 12th in the world. Also, the nominal GDP for the entity is 5.4 % from the total EU GDP of around 14 800 billion of euro at current prices (IMF Report, 2016). But, the most developed country is Czech Republic, with around 34,000 USD / capita, then Slovakia, Poland and the last one, Hungary with 27,000 USD/capita (but all three countries below the threshold of 30,000 USD).

The population of this entity of Visegrad Four is over 64 million inhabitants, the 4th rank in Europe and which represents around 13 % from the entire EU population of more than 508 million people (Eurostat data, available at www.ec.europa.eu/eurostat/web/population-demography-migration-projections/accessed August 4, 2017). The international trade of the four states indicates that one of the other of the group is on the first places as share from the entire foreign trade (Gadomski, 2016). For example, to exports, for Slovakia, Czech Republic is on the second place with a share of 11.7 % and Poland on the third with 7.6 %; for Hungary,

Slovakia is on third place with 5 %; for Czech Republic, Slovakia is on the second place with a share of 9.3 % and Poland on third with 6.1 %; finally, for Poland, Czech Republic on the third place with 6.6 %.

We see, even from these succinct examples that, also economically speaking, the four states are similar to each other. They are trying to attract investments, to develop non-conventional activities based on revolutionary IT & C techniques, because they are dependent on raw materials (mainly from Russia), in order to gain European markets (and not only) and to deeper the economic integration of them within the V4.

2. The Visegrad Group's beliefs and aims

The reason to be of the Visegrad Four, established in 1991 and strengthened during the last decade, is to contribute effectively to the consolidation of the Eastern flank of EU, reinforcing co-operation in this area and to be an complementary institution (instrument) towards a balanced development and functioning of the community system. The main decision and, we may say, the credo of the Visegrad Four, is *the construction of "A Better Europe"*. This is the solution admitted by the four members at Warsaw, March 2, this year, as the program to be presented (and presented) to the EU Summit in Rome, March 25.

Only these significant words (in our opinion) from this Joint Statement of the four countries, saying that the Union has to be one of the mutual respect and reality, sharing responsibility for the common future. As a result, the V4 will build a roadmap with clear implementation timetable, meaning the implementation into practice the vision of a Union of Action and Trust (Joint Statement of the Heads of Governments of the V4 Countries- "*Strong Europe-Union of Action and Trust*", available at www.vlada.cz/en/media-centrum.aktualne/, accessed August 5, 2017).

In this situation, here comes in scene the Walrasian principle of "*interconnecting vessels*", because these four states, as we saw, developed and high-income economies from Central and Eastern Europe, raised their voice against German chancellor, Angela Merkel, whose declarations were in favor of a "*European Union with different speeds*". The application of the Walras theory resides in that the Group aims to ensure *the equilibrium*, not only amongst the four members, but mainly with the other parts of Europe and not only in the economic domain (regarding the different markets).

The elaboration of the *Walrasian General Equilibrium Theory* started from the hypothesis of the existence of rational agents in the economy/society, i.e. from one part the consumers, aiming to maximize the utility of the purchased commodities and, on the other part, the producers/ providers aiming to maximize their profits. The result of these "*explorations*" (tâtonnements in French), of wins and losses on the market, was getting a balance, of an advantageous situation for both parts involved in (Trifu, 2005).

Also, it can be affirmed that this organization is not in opposition with the community institutions and decision-makers at the regional level (overstate one). Why this organization, this structure is considered functional and trustworthy? Because all the four countries, not only from the economic point of view (we saw the figures), but also from cultural, religious, education, exchanges of good and information points of view, are

considered a single unit of civilization, with the same roots and traditions, desiring to strengthen these relationships in mutual advantages and in the benefit of the EU as a whole.

“*Strong Europe-Union of Action and Trust*” is a joint statement prepared and presented to the EU Summit in Rome, March 25, 2017, by the leaders of the “V4”, on the occasion of the 60th Anniversary of the signing of the Treaty of Rome, the basement of the Common Market existence and, now, of the European Union.

For the purpose of the present paper and continuing the facts the Lisbon EU Summit in October 2007 -*the Lisbon Constitutional Treaty* (Trifu and Lupu, 2008), the four countries spoke out about the necessity of the return powers to Member States, especially “the weight” of the vote of the less developed economies in making decisions within the Union (not only “the big economies” to have the last and determinant word). Basically, thanks to the Poland insistence and persuasion, it was approved and sustained *the Ioannina clause* (stipulated since 1994, but not applied). Through this, it was also possible for the smaller countries (or group of smaller countries) to delay, or even to oppose to some unfavorable decisions to them from the European Council. The possibility of introducing the status of “*Multi-speed Europe*” for the Visegrad Group could mean the affirmation of its belief of *Euro-realism*, not Euro-skepticism and, this basis, the group militates for a new focus in the European development and for a tight cohesion amongst Member States, not a breakdown of EU (Bebel, 2017).

Another actual issue, supporting the previous opinion, not only for the “V4”, but for the entire Eastern countries, is represented by so-called *double standards* mainly for food products. What’s the meaning? Based on the declaration of Czech Republic PM, Bohuslav Sobotka, it is unacceptable to be a double standard in the quality of food sold on the European common market. This aspect means that it exist first and second class citizens of EU (Lazarova, 2017).

In this situation we are in the presence of another reference to a theoretical approach: that is about *Maslow’s Hierarchy of Needs* in which, providing food, is considered a *physiological need*, the first level of the Maslow Pyramid and, together with the safety needs form the base of the entire theoretical construction of Abraham Maslow (McLeod, 2016), structure called *basic needs*. For example, the marmalade sold around EU by the same producer and under the same label, contains less quantity of fruits and more artificial sweeteners in the goods sold in the Eastern countries of the Union. Another survey was done by the Slovaks, regarding food products from their country and Austria, only max 15 km from Bratislava. Robert Fico, the Slovak PM said that the results were eloquent: same product, same brand, same label, but in Slovakia this one contains less meat, more fat, more preservatives etc.

In a declarative manner, the European Commission president, Jean-Claude Juncker, is on their side by promising firm decisions and new rules from Brussels, but he must be very cautious about the necessity of a balance between the “engine” of Europe and the most industrialized countries and the rest of the community.

3. The synergy and trends in the Group’s existence

We properly consider that, in the analyzed case, it is better to use the term of synergy. Why this assertion? The meaning of the term is that one of the creation of a whole, greater than the simple sum of its parts. Furthermore,

taken into account exactly the meaning of the Greek term, *synergia*, i.e. “*working together*”, we face the properly action to strengthen their co-operation and exchanges and, at the same time, to improve their abilities, as a whole, to ensure the well-functioning of the complex system of European Union.

The so-called synergetism is considered the law of balance and provides effects in the modern economic theory of the formation of functional niches (how it can be the Visegrad Group and its member states), taking into account the Economics is a creative process, through the new techniques of interaction between the economic actors in the virtual environment (Badescu, 2010).

We are in the presence of a *synergetic action*, meaning to improve competitiveness, to identify a common strategy in the important and sensitive fields, to ensure stability and co-ordination with other components of the European system. In this respect, it is useful to make a comparison and to use the theoretical model thought by Michael E. Porter (2011), whose importance for an organization being the possibility to identify what factors can build advantages at the national level. And, we continue based on the EU scenario “*Doing Less More Efficiently*”, advantages which can be juxtaposed within Visegrad Group, in the benefit of these countries and, through propagation, for the rest of the Member States.

Furthermore, we are interested (and not only) in the future of this organization or, better said, the main and sensitive domains put in discussion to all the four countries (or three, speaking about the Eurozone) target *the economic infrastructure*, with its *drivers*:

- *Competitiveness*
- *Entrepreneurial activities*
- *Innovativeness*

To reach competitiveness it is needed of sound entrepreneurship in order to wealth creation and job growth and also, it fuels the innovation.

We have in consideration the programmatic document written and submitted for analysis and discussion to all four countries (Polok et al., 2016), in which it is addressed of the structural elements of the *economic infrastructure*. In the authors’ vision, this region must become *the Visegrad Valley*, a place between the Mature Europe and “Wild East”, a mix of two words which successfully transformed these societies/economies into modern, open and competitive ones.

Not only at the end of each chapter are inserted recommendations, but the authors found fit to emphasize further recommendations, especially for Poland, Czech Republic, Hungary, because they are dealing with the perspectives of the Eurozone, but we think these are of great importance in the becoming of all these economies:

- Increase of structural competitiveness and gradual changes in the structure of economies (each according to possibilities and specific, we may say); Deregulation for open and flexible economies;
- Increase the investments in innovative activities (changes and substitutions in the economies, mainly through labor costs) etc.

Very interesting, but in accordance with the necessity of an equilibrium in the financial domain, was the recommendation for the entire entity to refrain from entering the Eurozone in the foreseeable future. It is a

precaution and the taking into account the risks which may occur by adoption the unique currency for all the four countries (not only for Slovakia).

4. The possible conceived future of the organization

Continuing the presentation of the situation from the previous subchapter, we may say that the actual situation of the Visegrad Group, even the near future, is under favorable auspices. We rely on this statement on the fact that representatives of the 4 countries outlined the main ideas/problems in a document of the becoming of the organization, BUT within the EU construction, with all the existing problems and challenges.

We assist to punctual problems to be solved, due to the stringent challenges of our times. In fact, we face to tactics followed by the 4 countries, specific to each problem/challenge occurred (Denkova et al., 2017). Thus, we can mention the opposition to European Commission's revamped asylum policy and the entire migration issues, the support for more free trade, regulations and less bureaucracy, secure borders against terrorism, even the rejection of French President Emmanuel Macron proposition about the problem of the "posted workers" (defeat of Macron in his tournament in Central and Eastern Europe).

On the other hand, the solving these problems are required in the re-shaping of EU, seen as a more global and active player in responding to threats of all nature. Furthermore, it follows the strategies implemented by each of the 4 countries, with accent on investments, attracting European Funds, even offset operations with US Army (the case of Poland, with approximately 60,000 jobs created), the raise of productivity and, overall, the increase of return in their economies.

EU will still exist, also this structure of the Central and Eastern European countries and it exists the possibility that other states from the region, or with similar opinions, to adhere by supporting this organization in sustaining beneficial ideas and principles to a number of states. But, we don't think that other countries to join effectively the club, due to the powerful and long-standing liaisons and structures between the 4 members.

5. Conclusions

In this paper, we intended to prove the links between some theories and ideas existing as heritage of Economic Thought and the social-politic and economic realities of our days, it seems that the economic and social domain, as a whole prevails on the political one, because the V4 follows their unity, their well-being, their collaboration and a common vision on the structural trends on *the foreseeable future* (my emphasis, because indeed this horizon-short and medium term is the most appropriate and with less risks in the functioning of the economies and of the group).

We think that the idea of "*A multispeed Europe*" is not feasible for the existence and functioning of the V4, while the another scenario "*Doing Less More Efficiently*" implies the focusing actions of the main common interests, main efficient and valuables fields of interests. However, the both scenarios, in various proportions, lead to a cleavage approach of the situation in the European Union.

It is a functional organizational entity, a “voice” for the less developed economies of EU, in order to adjust some decisions or facts provided by the inter-states relationships, but in no case it is about a bipolar situation, i.e. more decisional centers for the European Union. Each country must see on which field, domain, policy is prepared to deepen integration and strengthen the cohesion of the group and, further, of the community, in order to gain efficiency and competitiveness on their niche single market (of the group), but also together with other Member States. As a final valuation of this kind of organization (entity) for the Visegrad Group, we may say that the distinctive attributes could be: *integration, solidarity, unity, common approaches*. And, at the EU level, we must add the attribute of *diversity*.

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