Editorial

Problems with Eastern Europe

The forthcoming extension of the system of Europe Agreements makes consideration of their nature timely. The original agreements were concluded with Poland, Czechoslovakia (as it then was) and Hungary in December 1991 and negotiations with Romania and Bulgaria have now been successfully concluded. The agreements have in various ways been sold as a preparation for accession to the Community and to this end they cover political dialogue; trade in goods; the improvement of the situation of workers legally employed and their families; national treatment in relation to establishment; the progressive liberalisation of the cross border supply of services; certain liberalisation of payments and financial transfers, and specific rules relating to competition and allied issues. The agreements also deal with approximation of laws and economic, cultural and financial co-operation. As association agreements, they are based on Article 238 EEC: thus ratification is required by all national parliaments concerned and by the European Parliament. Because of the delay inherent in ratification procedures, interim agreements, entering into force on 1 March 1992, have also been concluded, so that the trade benefits of the agreements could commence without delay.

The commitments to open markets and to trade benefits for the Eastern European countries inherent in these agreements have, however, scarcely been assisted by the difficulties on steel, textiles and agriculture which have arisen in relation to Poland. These are specific sectors in which Poland can very well compete with Community industry. In a certain sense the timing has been unfortunate because domestic pressures within the Community for protection of recession-hit industries are set against the long term strategic need to ensure that the Eastern European countries can compete at a level which will facilitate their future integration into the Community. But it is not only in relation to trade issues that the Community's standpoint is to say the least unfortunate. For entirely comprehensible reasons the Eastern European countries are constantly being told that their economies will have to resemble those of the Community in their approach, yet the economies of Poland, Hungary and the Czech and Slovak Republics are far stronger than those of certain Member States of the Community. If it is remembered that the decision to admit Spain, Portugal and Greece was an essentially political one (in a sense a reward for overthrowing undemocratic regimes) with no economic strings attached, the Eastern European countries must wonder what they have to do if the Community at the same time as requiring economic adaptation simply makes it more difficult by making access to products of strong sectors increasingly difficult in the name of internal protectionism. Whilst in order to level the playing field a certain weighting for economic and social cohesion is politically and economically essential (even if the Treaty on European Union is inconsistent in this respect), if the Eastern European countries are to accede the Community they should not get the feeling that the very hand which offers assistance in fact makes it impossible for the assisted countries to use such efficient and competitive resources as they have. Some rethinking of the Community's approach may be in order.

Laurence Gormley