

FOREWORD

When this research project was launched in the second half of 2012 the world economy faced an uncertain future after the crisis. The financial and economic crisis set back the growth of the world's most developed countries – among others those in the European Union – and highlighted existing structural problems. At the same time emerging markets such as China, India and Brazil enjoyed the benefits of their economic growth. In a globally integrated world economy where economies and societies are intensely shaped by transformative forces, including economic, environmental, geopolitical, societal and technological seismic shifts, no country can decouple itself from global processes, be that development or decline. Global issues are determinative for Central European Visegrad countries Poland, the Czech Republic, Slovakia and Hungary. This means that the historical and geographical background of these countries are of special importance. The location of Central Europe, at the intersection of the western and eastern interests, and the western orientation and process of catching up to Europe's developed core area, determine the system of reference. Europe is facing new challenges not only internally but externally as well. There are several old and new issues which at the beginning of the research had not escalated, but which will influence the future development of the EU. These include among others the new chapter of transatlantic relations with the US, especially free trade issues, increasing economic and the rising political influence of China and Russia, security policy issues of the Middle East and North Africa, as well as the national policies regarding refugees and emigrants.

This book presents the results of research supported by the International Visegrad Fund in an attempt to summarize those political, social and economic challenges that can influence the future of Visegrad cooperation. We focus on internal as well as external effects

and issues. The research was implemented under the direction of the Institute for World Economics of the Centre for Economic and Regional Studies of the Hungarian Academy of Sciences. The other three partners are the *Warsaw School of Economics* from Poland, the *EUROPEUM Institute for European Policy* from the Czech Republic and the *Institute of Economic Research of the Slovak Academy of Sciences* from Slovakia. In the discussion of the topic we also involved other researchers from the Finnish Institute of International Affairs and the Polish Institute of International Affairs.

This summary edition of the research consists of the studies prepared in the framework of the project “*Prospects of the Visegrad cooperation in changing economic, political and social Conditions*”. During the implementation of the project we kept in mind that one of the added values of the project should be deeper knowledge relevant to each country covered. Therefore, at first, Krisztina Vida summarized *the actual challenges facing the European Union* by highlighting the latest governance trends and possible future scenarios of the EU. She also discussed the positions of the Visegrad countries vis-à-vis the latest governance developments and recommended some principles to follow when jointly shaping the future structure of the Union. In the following parts of the volume *Polish, Czech and Slovak reflections* and standpoints were expounded – by Elżbieta Kawecka-Wyrzykowska, Vladimír Bartovic and Boris Hošoff respectively – regarding EU governance and the *future of the V4 cooperation*. *Increasing Russian influence in the Central European region* was analysed by András Rácz. We placed a special focus on the *similarities and differences among external policies of the V4 members*. In the economic section Krisztina Vida evaluated the main aspects of real and nominal convergence of the V4 in the first decade of EU membership. Her SWOT analysis helps to identify the factors that strengthen or weaken cooperation. Competitiveness and world economic integration has a key role in the economic catching up process. Gábor Túry analysed the main *trends regarding international competitiveness of the Visegrad countries with a special focus on their export structure*, especially integration into global value chains. Last but not least *social trends* of the V4 members were analyzed by Elżbieta Kawecka-Wyrzykowska (Poland), Vladimír Bartovic (Czech

Republic), Boris Hořoff (Slovakia) and Annamária Artner (Hungary). Beside analysing the *main trends, the authors focused on main challenges and possibilities in order to create successful social inclusion* in the V4 countries.

At the end of this book Judit Kiss *formulated the main converging and diverging forces that determine the future of Visegrad cooperation*, highlighting political, economic and social differences and similarities. At the end of the summary recommendations to the decision makers are formulated in order to deepen Visegrad cooperation and draw attention to possible threats and challenges.

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editor

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