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Eurozone Enlargement Frozen: The Deepening Crevasse between Central Europe and the EU[1]

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As of 2015, the eurozone has been the same for a long time. Central European "pre-ins" will not join the eurozone quickly because some simply are not willing and others are unable to do so. The resulting friction not only will impact the economic situation of both the existing members and "pre-ins" but also will produce tensions in the other fields, eventually leading to a negative state of division between the sceptical newcomers and the better-integrated Old Europe.

Among the Central European countries, defined here as Bulgaria, Czech Republic, Hungary, Poland, Romania and Slovakia, only the latter is a member of the eurozone. The current "relationship" between these countries and the eurozone members when it comes to rapprochement is one that lacks enthusiasm and closely follows a "do-nothing-policy." Both sides seem to be waiting for better times.

The key to understanding the CE countries' prioritisation of the question of "if" over "when" lies in the eurozone itself: the instability of its economic situation, the uncertainty in the changes in its architecture, the appearance that its new structures are overly complex, and concerns about the unknowns of the Greek economic crisis (including the total bill for the country's debts which will have to be paid by eurozone states). On top of these issues, domestic factors, such as the recent, positive effects of national monetary policies (i.e., free-floating currency regimes in most countries), sceptical publics, and institutional underdevelopment, play an important role in determining the lack of willingness or ability of a CE state to introduce the euro. The big question, though, is how permanent these factors have become, or in other words, how long will they continue to keep the region out of the eurozone?

[1] This text was written under the project "Time for the Third Step? The V4+ and the Eurozone Accession," supported by the International Visegrad Fund. The project was led by the Polish Institute of International Affairs (PISM) and coordinated by PISM analysts Dariusz Kałan and Patryk Toporowski. PISM's partners were: Budapest Business School (Hungary), Centre for Liberal Strategies (Bulgaria), Expert Forum (Romania), Institute for Economic and Social Reforms (Slovakia) and Institute of International Relations (Czech Republic).

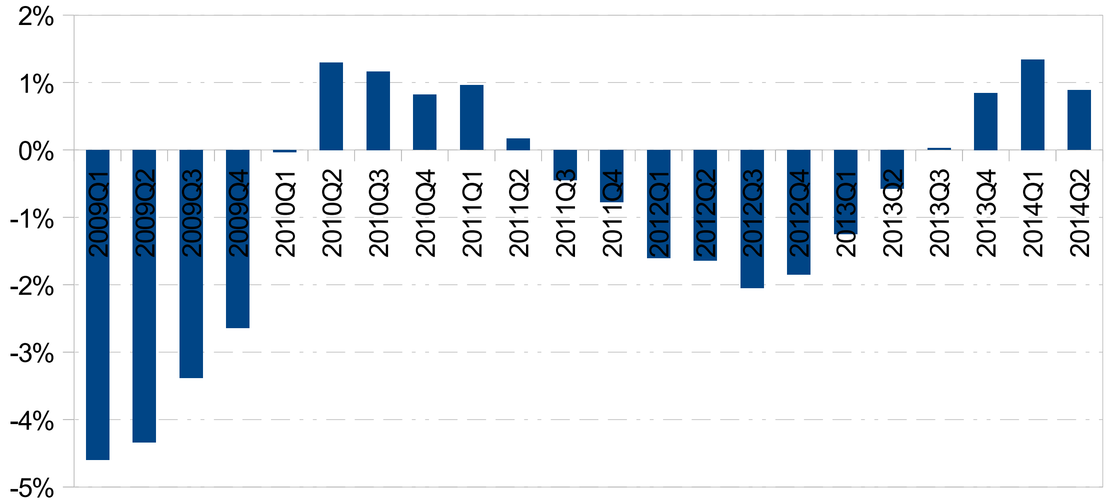
[2] The contributors provided information about the policies of the various EU Member States, which served as a basis for the authors' comparisons. The views expressed here those of the lead authors alone, as are any errors.

Today's Eurozone: Feeble Attraction

The biggest brake on further eurozone enlargement is its uncertain economic situation. Only more positive and sustainable information about the eurozone's future performance may change the dominant attitude in the CE that the zone is in crisis.

Positive signs from mid-2015 have appeared as the eurozone's economic troubles have faded, though with the exception of Greece. The interest rates on eurozone countries' 10-year bond yields have stabilised (e.g., around 1.9% in Italy, 2.1% in Spain, 1.4% in Ireland). Recent data on growth (Table 1) and the outlook for further growth appear to be the most positive since the beginning of the crisis. Unemployment has started to decrease, dropping from 12% in 2013 to 11.1% in 2015, with the best results in Germany, where it reached 4.6%, and the worst results, as expected, in Greece, which had 25.6% overall unemployment. Moreover, some signs of improved competitiveness have appeared: for instance, the zone's current account balance is expected to reach 3.5% of GDP in 2015 and is still improving, compared to after the crisis hit when it was -0.6% of GDP. These data suggest that the worst of the crisis has past.

Table 1. Gross Domestic Product for the Euro Area-19, real yearly % growth, seasonally adjusted



Source: Eurostat (accessed 10 September 2015).

But in fact this greater calm in the common currency area is illusive. The re-stabilisation was mainly a consequence of external economic conditions that were advantageous to the eurozone. Other markets developed quickly (the world's GDP grew on average by almost 4% a year from 2009 to 2015), thus facilitating eurozone exports. Another thing is that the EU has been enjoying decreases in prices for raw materials, including fuels (notably the Brent market oil price drop from above $100 per barrel in June 2014 to around $50 per barrel in August 2015). Also, the falling value of the euro helped to boost exports; however, the exchange rate is only partly controlled by the European Central Bank (ECB)—the price of the euro depends also on the moods of the financial markets. If the downward trend is reversed in the markets, it will come at a cost to exporters.

These positive external trends are likely to change, notably in the case of the development of external markets. China's growth is slowing (along with a crashing stock market), which weakens the country's previously increasing demand for more sophisticated products from the eurozone. Growth prospects for the other BRICS countries are also pessimistic. As a result, the positive current account balance of the eurozone (mostly because of strong German exports) will shrink, thus limiting one of the most important economic growth factors in the euro area.

The eurozone's banking sector remains fragile, too. While in the wake of the crisis the value of non-performing loans amounted to 4.8% of all loans, while in 2014 it reached 8.3%. What is more, some big banks that had been positively evaluated in 2014 during a comprehensive assessment conducted by the ECB experienced growing problems in 2015 with their asset structures (i.e., Deutsche Bank, the CEO of which resigned because of the bank's difficult situation). This means that any additional uncertainty in the financial markets could knock down the banking sector. If one connects these detrimental factors and then adds a new geopolitical one—while the Ukraine crisis contributes to cooler long-lasting trade and investment relations with Russia, the immigration crisis will ultimately hit the economies of countries such as Germany—it is easy to arrive at the conclusion that the situation in the eurozone is far from stable or cured.

It would be much easier for the eurozone to face all these challenges if it had made deeper internal reforms. A lot of things have been done since the crisis started but none have resolved the most urgent issues. Among them is the limited fiscal stability of the eurozone members. This short-term achievement has come with growth in the public gross debt of its members, hitting 91.9% of the zone's GDP at the end of 2014, compared to 85.8% in 2011. For the whole EU it was 86.8% at the end of 2014, compared to 83.1% in 2011. Another problem is that because domestic demand is significantly lower, the eurozone may see zero inflation or deflation, potentially summoning the Japanese stagnation scenario. An additional factor is that the eurozone effectively halts its members from developing their competitiveness, whereas the rest of the world is seeking to improve the ability to compete. This has resulted in a decrease in the EU's share of the global economy (from 31.5% of global GDP in 2004 to 23.9% in 2014, and predicted to drop to 20.8% of global GDP by 2020)[3] and global trade (from 17.9% of global trade in 2004 to 14.9% in 2014).[4] The signing of the Trans-Pacific Partnership between the U.S. and East Asian countries, coming at the cost of slowing work on the EU-U.S. Transatlantic Trade and Investment Partnership, just accelerates this negative trend.

The Insider's Voice: Slovakia

Some of the hesitation and concerns of Central European states regarding the impact of membership in the eurozone may be either dispelled or deepened by Slovakia's experience.

The country introduced the euro on 1 January 2009, at the beginning of the first stage of the global economic crisis that also later hit the Slovak economy. Whether the crisis or euro adoption was more painful for the economy is still an open question for many. Clearly, the introduction of the common currency required the Slovak government to compensate for the loss of control over monetary policy with fiscal policy and more flexibility in the labour and product markets. The recession was a big test of both of these tools. Indeed, the government provided fiscal stimulus to the economy in 2009 and 2010 when it did not follow the steep decline in tax revenues and kept public expenditures the same or even increased them. As a result, the public finance deficit jumped from 2.4% of GDP in 2008 to 7.9% of GDP in 2009, before pulling back to 7.5% in 2010. In the private sector, exporters could not benefit from a weaker currency and had the sole option of decreasing costs.

Generally speaking, for Slovakia, the euro's introduction changed its approach towards fiscal policy. Because of Maastricht criteria (including the requirement to maintain the deficit below 3% of GDP and public debt below 60% of GDP), Slovak public finances became more stable. After adoption of the euro and the rapid increase in the public finance deficit in 2009, Slovakia entered the Excessive Deficit Procedure—the corrective arm of the EU's Stability and Growth Pact, which imposed further pressure on fiscal prudence. On top of that, though, Slovakia, by virtue of eurozone membership, had to bear a part of the cost of the eurozone's debt crisis. Along with other euro-based countries, Slovakia participates in the financial aid programmes that currently provide assistance to Greece, Portugal, Ireland, Spain and Cyprus. Slovakia has taken part in all of the rescue programmes implemented in the eurozone with the exception of the first Greek bailout. Its total contribution exceeds €2.6 billion, or 3.6% of its GDP, and its total participation in the European Stability Mechanism (ESM) accounts for 7.1% of its GDP.

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[3] Authors' calculation based on data from the IMF World Economic Outlook Database (release: 9 July 2015; accessed in September 2015).

[4] *European Union in the World*, European Commission services, Trade-G-2 19/06/2015, June 2015, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122532.pdf.

Slovakia also slipped in part because while the other CEE countries did not introduce the euro it continues to trade heavily with them. According to the Slovak Statistics Office (NBS), the country exported 28% of its exports in 2013 to the Czech Republic, Hungary and Poland (all have their own currency) and only 44% to other eurozone countries. Thus, the depreciation of their currencies and subsequent strong conversion rate for the euro among the Central European partners shortly after the crisis began led to real exchange rate overvaluation in 2008–2010, as documented by NBS. Slovak products suddenly became more expensive in those markets and exporters had to adjust by cutting production (mostly labour) costs and prices. As a result, unemployment in Slovakia over 2009–2010 was rising faster than in other countries in the region. On the other hand, since 2011 the currencies in the Czech Republic, Hungary and Poland have appreciated towards the euro, leading Slovakia to accelerated growth in exports. However, the whole experience remains mixed for the rest of the CEE and is not convincing enough to use it as a heavily weighted argument for or against the euro.

Mapping Political Positions towards the Eurozone in Central Europe

CE eurozone candidate countries generally are in compliance with most of the convergence criteria (see Table 1), except for participation in ERM II for two years. This means that from a technical point of view and with greater political and economic effort they could easily enter the zone. However, eurozone entrance is not only a matter of technical details but heavily relies on internal and external political constraints, such as political consensus, the public's mood as well as any reluctance among eurozone officials or the head of the European Central Bank to accepting the application of a particular candidate to ERM II.

Table 2. Fulfilment of nominal convergence criteria by the end of 2014 (green—fulfilled, red—not fulfilled)

	HICP inflation rate (max. 0.8%) (12-month moving average)	Budget deficit to GDP (max. 3%)	Government debt to GDP (max. 60%)	Long-term interest rates (max. 4.3%) (12-month moving average)	Participation in ERM II	Exchange rate volatility (max +/- 15% on average)
Bulgaria	-1.2%	2.9%	27.6%	2.8%	No	0%
Czech Republic	0.4%	2%	42.6%	0.8%	No	3.4%
Hungary	-0.2%	2.6%	76.9%	3.7%	No	4.3%
Poland	-0.6%	2.8%	50.1%	2.7%	No	-4.8%
Romania	0.7%	1.5%	39.8%	3.6%	No	1.6%

Source: Eurostat; Ministry of Finance, Poland, www.mf.gov.pl/documents/764034/1002547/monitor_2015_09.pdf.

The sum of these factors puts Central European candidates into two groups: the first represents a so-called wait-and-see approach, which means that they need a sign that the eurozone's prolonged stagnation provoked by the Greek crisis is heading to a positive conclusion and will not reappear anytime soon; the second signals that it is willing to join but needs time to fit into the club. These two groups differ between each other in two aspects: EU entry date and the level of integration with the EU. The euro candidates that joined the EU in 2004 are more cautious about entry into the zone than those that joined in 2007. Similarly, the less integrated a country is with the EU the more it wishes to join the eurozone—Bulgaria and Romania, which both remain outside the Schengen zone, serve as a good example here.

Wait-and-See Approach

Although the Bohuslav Sobotka government, which took office in January 2014, announced a radical shift towards a more pro-European policy for the **Czech Republic,** it does not entail a decision to introduce the euro. In fact, the liberal left-wing cabinet, despite obvious changes in rhetoric, has in practice been following a similar path to "Eurosceptical" Václav Klaus, a former president, and the centre-right governments supported by him. According to one of Sobotka's policy statements, the government will "prepare the Czech Republic for entry to the euro,"[5] but in fact there is little political will to push for quick euro adoption, given both domestic factors—namely the rather Eurosceptic electorate of ruling Czech Social Democratic Party (ČSSD) and high levels of anti-euro sentiment among the public in general[6]—and external ones, tangible thanks to the Greek crisis.[7] These days, the only supporters of euro introduction in the country are President Miloš Zeman, who in 2014 argued that it is realistic to adopt the euro in five years,[8] and the Christian Democratic Party (KDS), which is a junior partner but one of the three pillars of the governing coalition. Nevertheless, the government as such has agreed not to make a decision on starting the euro introduction process (i.e., participation in ERM II) before its term ends in 2018.[9]

Hungary, directly after the 2004 EU enlargement, had set a mid-term objective to join the eurozone. However, the country's aggravated economic problems at the beginning of the crisis have postponed the entry date to an unspecified future time. During the crisis, the government changed and eurozone accession disappeared from the political agenda. The right-wing cabinet of Prime Minister Viktor Orbán was at the beginning quite positive on joining the eurozone in the short term but later focused on keeping his distance from EU developments and at some points even expressly talked about a "fight for freedom," with one symbol of such "independence" becoming the national currency. Thus, the entry to the euro area is "no longer an immediate interest," as Zoltán Kovács, the Secretary of State for Public Diplomacy and Relations, put it at the end of 2014.[10] Of course that does not exclude euro membership in the future because it is a process to which the country is obliged as signatory to the Treaty of Accession in 2003 (there is no derogation to the provision that all Member States shall participate in the Economic and Monetary Union).[11] In fact, the only clear supporter of the euro is the leftist-liberal opposition, but it is too weak to make an impact on the government. Besides, a change of currency will be difficult since the forint was written as the national currency in the new constitution in 2011.

The current political situation in **Poland** does not favour joining the eurozone quickly, either. In its eight years in government, the Civic Platform (PO) party, which in 2015 has lost both the elections for president and parliament, was relatively eager to join the eurozone before the crisis but since then became increasingly undecided. The president of the Economic Council for the government at the time, Jan Krzysztof Bielecki, often presented a "wait-and-see approach," saying that he would be nervous about quickly joining the zone[12] or he would be more willing to join the energy union than the eurozone.[13] The

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[5] "Policy Statement of the Government of the Czech Republic," February 2014, www.vlada.cz/assets/media-centrum/dulezite-dokumenty/en_programove-prohlaseni-komplet.pdf.

[6] The survey results depend on the organisation conducting the polls. Whereas Ipsos found in April 2015 that 85% of Czechs were against the euro, according to the Centre for Public Opinion Research (CVVM), 69% were against it in May of the same year and Eurobarometer pegged it at 70%. Clearly, the majority of Czechs does not want the common currency.

[7] H. Foy, "Czech finance minister rules out early entry into Eurozone," *Financial Times*, 27 April 2015, www.ft.com/cms/s/0/1bd3be4c-ecf1-11e4-bebf-00144feab7de.html.

[8] "Zeman wants the euro 'ASAP'," *Prague Post*, 26 February 2014, www.praguepost.com/eu-news/37468-zeman-wants-the-euro-asap.

[9] "Czech Government Sets Target Agreeing Euro Adoption Process 2020," *BNE Intellinews*, 28 April 2015, www.bne.eu/content/story/czech-government-sets-target-agreeing-euro-adoption-process-2020.

[10] J. Cosgrave, "Hungary in 'no rush' to join the euro," CNBC, 1 December 2014, www.cnbc.com/2014/12/01/hungary-in-no-rush-to-join-the-euro.html.

[11] *Treaty between the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands, the Republic of Austria, the Portuguese Republic, the Republic of Finland, the Kingdom of Sweden, the United Kingdom of Great Britain and Northern Ireland (Member States of the European Union) and the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia, the Slovak Republic, Concerning the Accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union*, 23 September 2003, http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12003T/TXT&qid=1445343207472&from=EN.

[12] A. Zwoliński, "Jan Krzysztof Bielecki w Money.pl zapowiada, co dalej z OFE i dziurą w budżecie," Money.pl, 15 June 2013, http://wspierambiznes.pl/artykuly/finanse/2067-jan-krzysztof-bielecki-w-money-pl-zapowiada-co-dalej-z-ofe-i-dziura-w-budzecie.

main arguments, apart from the traditional fear of instability in the eurozone after the Greek crisis, are the lack of good political conditions to push forward with the issue (no agreement within parliament) and very sceptical publics (53% of respondents are against euro introduction[14]). How easy it is to use these moods to one's advantage was shown by this year's presidential campaign, when then-candidate, now President Andrzej Duda used anti-euro rhetoric to attract voters. The next government, which will be created by Duda's party, Law and Justice (PiS) after it won an outright majority in parliament, is likely to be even more cautious about joining the eurozone than PO.

Willing but Unable

At the highest political level in **Bulgaria**, the position of the country is that it desires to join the eurozone as soon as possible.[15] Surprisingly, this position has been made more precise over the years of the financial and economic crisis to mean that Bulgaria will press for joining when the country fulfils all of the criteria. This positive approach is strengthened by the fact that Bulgaria has a currency pegged to the euro, so entrance to the club is rather a natural follow-up (such as the case of Latvia, or partly the case of Lithuania and Estonia). For this reason, in 2010 the finance minister postponed planned steps to negotiate the country's entry into ERM II because newly published data indicated a fiscal deficit for 2009 in excess of eurozone criteria. The situation was similar with the fiscal balance in 2014. The problem it has with a fast-paced entry is the unmet law enforcement goals and widespread corruption, as well as still-strong organised crime, factors that together effectively block the possibility for the country to enter the ERM II system. It thus rules out the possibility for it to become a euro area member for years, or at least until there is improvement in this respect.

Romania has twice delayed entry into the eurozone mainly due to an economic recession. The last official target (2019) was supported in May 2015 by left-wing Prime Minister Victor Ponta,[16] but as it lacked a clear timeline and political commitment, the developments in Greece further rattled nerves, making membership in the common currency area a moving target. Romania does not have in hand a thorough study on the clear context for entry or sufficient understanding of the main economic indicators for entry under different scenarios. It also has not assessed the benefits and risks attached to it and has no set milestone required to enter the euro area. In April 2015, the new president, Iohannis Klaus, called on the government to speed up its search for a strategy towards eurozone accession.[17]

The (Almost) Lost Argument: Public Perceptions of the Euro

Among the arguments by politicians sceptical of the euro is that there is a lack of adequate public support for adopting the common currency. This, though, is quite questionable. First because according to various polls the opposition to the euro in the CE is neither the same in all countries nor as universal as they claim: in Poland polls conducted from outside the country show 53% are in opposition (while nationally conducted surveys put it at 77%). Second, even if support was high in the past, it was not properly used by the decision-makers. A good example of this is the Czech Republic, where more than half of the population was willing to adopt the euro at the beginning of the 2000s, reaching its zenith in November 2003 at 58% (before the country joined the EU). Support for the euro remained roughly at this level until 2005, though opposition to the euro grew to 37%. However, this political capital was lost in part because a large part of

[13] "Bielecki: Wolę unię energetyczną od strefy euro," TVN24 (TV interview), 19 May 2014, http://fakty.tvn24.pl/fakty-po-faktach,57/19-05-bielecki-wole-unie-energetyczna-od-strefy-euro,430051.html.

[14] What's more, 54% of respondents think that introducing the euro will have negative consequences for the country. Only 11% of Poles said that the country is prepared to enter the zone. This makes Poland's public second in Central Europe (after Czech Republic) among the most cautious on euro introduction. The national opinion surveys, compared to the European services, give an even more Eurosceptical picture of the public's mood. According to GfK Polonia, 77% of respondents oppose introduction of the euro. See: "Stosunek Polaków do wprowadzenia euro – kwiecień 2015," GfK Polonia, 27 April 2015, http://www.gfk.com/pl/news-and-events/press-room/press-releases/strony/stosunek-polak%C3%B3w-do-wprowadzenia-euro-%E2%80%93-kwiecie%C5%84-2015.aspx.

[15] "Bulgaria says it will start talks to join the euro," *Euractiv*, 16 January 2015, www.euractiv.com/sections/euro-finance/bulgaria-says-it-will-start-talks-join-euro-311331.

[16] "PM Ponta: Romania wants to join Eurozone in H2, 2019; political consensus is needed," Agerpress, 29 May 2015, www.agerpres.ro/english/2015/05/29/pm-ponta-romania-wants-to-join-eurozone-in-h2-2019-political-consensus-is-needed-11-58-57.

[17] M. Chiriac, "Romanian President Urges Consensus on Euro," *BalkanInsight*, 29 May 2015, www.balkaninsight.com/en/article/romania-to-adopt-strategy-for-joining-euro.

the country's political elite remained negative with regard to adoption of the euro. The result was quite strong opposition among mainly citizens who perceived themselves as less successful in the post-communist transformation. Now, the overwhelming majority of Czechs refuse to take up the common European currency. The survey results vary widely, though, depending on the organisation conducting the poll: Ipsos found in April 2015 that 85% of Czechs were against the euro,[18] but the Centre for Public Opinion Research (CVVM) found 69% were against it in May of the same year[19] and Eurobarometer pegged it at 70%.[20]

The Czech case is a warning for other countries in the region where support for the euro is still relatively high. It remains fragile and without political backing is likely to waste away, especially in a time of economic slowdown. Surprisingly, even in Hungary, the government of which is among the most anti-European in its rhetoric, the public remains pro-euro. Besides Romania, Hungary (50%) is the only country in the survey where at least half of the respondents believe that introduction of the euro would have positive results. Despite a four point decline compared to 2014, the percentage of respondents from Hungary in favour of introduction of the euro was 60%.[21] The public remains very divided, a fact also visible in Hungarians' perception of the euro: for many—mainly supporters of the anti-Orbán opposition—a single European currency is still symbolic of stability, minimising risk and the strength of a big economic player; for others, though, taking up the euro would be a reduction in the country's sovereignty, with the events in Greece, reactions by the EU and subsequent media coverage recently contributing to strengthening this opinion.

The two Balkan nations significantly differ in that matter. True, in Bulgaria, there was a significant flip in support, where in the first three years of EU membership euro-enthusiasm prevailed. It changed during the first Greek crisis in 2011, and now respondents are more "against" than "for," but the differences are negligible (44% to 42%).[22] More interestingly, on questions in national surveys about substituting the euro for the lev, usually less than 20% of respondents express agreement and an overwhelming majority wants to preserve the Bulgarian currency. Romanians, though, are predominantly in favour of joining the euro: according to a Flash Eurobarometer from May 2015, 68% want the common currency, which is an absolute record high for the CE.[23] They not only express their will to have the euro but also a desire to join the zone as soon as possible: 41% of respondents think that it will be done around 2019-2020, while 23% think the introduction will be in 2021 or later.

Status Quo Forever?

The political will in the CE to join the euro club is found in two approaches. The first one (in Czech Republic, Hungary and Poland) focuses on valuing independent monetary policy in times of crisis and waiting to join at a better time or indefinitely postponing entry. The second presents more willingness to join the eurozone as soon as possible, but lacks the proper economic and institutional preparation (Bulgaria, Romania).

Of these two groups, the more "willing to join" countries, by being partially excluded from integration processes (i.e., Schengen), see the grass greener on the other side. This overlaps with low trust in public institutions, which eurozone institutions could complement more efficiently. In order to successfully enter the zone by gaining acceptance from euro area members, they need to introduce a profound set of reforms of their basic institutions in the broad sense by raising the level of the rule of law, increasing transparency and minimising corruption. Bearing in mind the low political stability of these countries, success in these fields should not be expected soon.

[18] "Češi jsou stále proti euru. Evropskou měnu nechce podle průzkumu 85 procent lidí," *Hospodářské noviny*, 21 April 2015, http://byznys.ihned.cz/c1-63897010-cesi-jsou-stale-proti-euru-evropskou-menu-nechce-podle-pruzkumu-85-procent-lidi.
[19] "Platit eurem? Češi brání korunu zuby nehty, ukázal průzkum," *EuroZprávy*, 12 April 2015 http://domaci.eurozpravy.cz/zivot/120421-platit-eurem-cesi-brani-korunu-zuby-nehty-ukazal-pruzkum.
[20] "Češi euro stále nechtějí. Počet jeho odpůrců se ale za poslední rok snížil," *Hospodářské noviny*, 12 May 2015, http://byznys.ihned.cz/c1-64000310-cesi-euro-stale-nechteji-pocet-jeho-odpurcu-se-ale-za-posledni-rok-snizil.
[21] "Introduction of the euro in the Member States that have not yet adopted the common currency," Flash Eurobarometer 418, May 2015, http://ec.europa.eu/public_opinion/flash/fl_418_en.pdf.
[22] *Ibidem*.
[23] *Ibidem*.

The other group, the "wait and see" candidates, have a much more convenient position but are likely to increasingly feel more comfortable with their pre-in position. They have their own, efficient institutions, which proved successful during the crisis. In addition, they struggled to win "inclusiveness" in the new eurozone solutions, so they are almost inside the core of the EU anyway. These two things make the euro itself less attractive to them. If the weak and negative economic trends in the eurozone continue, their non-willingness to join the zone will strengthen and more long-lasting.

One can accept this stalemate between the euro-ins and the Central European pre-ins as an acceptable next-best solution—a rationally justified transition period. However, the political costs of it may be significant. Among them is decreasing public support for the euro in the candidate countries, which could be pushed towards a point of no return. For the eurozone, a stop to the enlargement process might be a blow to its credibility, crucial from a political perspective. But an even more important consequence is the possibility of rising tensions between euro-ins and the "unwilling" or "unable" CE candidates in other fields, for instance, in the ongoing migration and refugee crisis, which dangerously creates an artificial division between these "black hats" from Central Europe opposing the inflows and the rest of the countries willing to host refugees. In time it is possible that other, overlapping divisions may appear (perhaps EU-wide instead of eurozone-wide assistance to Greece), thus making cooperation within the EU difficult.

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