

The enlargement of the european union



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Modern times are challenging the European Union with one of its greatest tasks to date. The issue of enlargement has become the key EU project for completion in 2002. The enlargement of the European Union to the countries of Central and Eastern Europe (CEEC's) raises many issues of concern. In order to understand the problems facing both of the parties involved, it is necessary to first consider the background of EU integration and its recent trends.

Enlargement is the means by which national states concede to the transfer of sovereignty to supranational institutions and agree to invest in common policies within a customs union. In the current European case, this fundamentally is the development of the fifteen member state grouping to integrate up to as many as thirteen new member states into the union, ten central and Eastern European countries along with Cyprus, Malta and Turkey. This will enable the EU to span more than two-thirds of the continent in its entirety. At present, it is likely that around ten of these applicant countries will be successful in their bid to join. The next round of the EU enlargement, which is forecast between 2004 and 2006 approximately, is likely to contain six of the applicants. It will certainly have serious implications for the economic, political, social and military nature of the Union.

Of course the Union has undertaken enlargements previously, however none have been as large a step for Europe as the one scheduled. It is an innovative change in many ways, considering that the previous enlargements did not involve states as geographically, politically and economically diverse from the current members. Also each of the enlargements to date encompassed three or four countries at the most

(Norway took part in the most recent enlargement, but rejected membership in a national referendum), so this enlargement is quantitatively groundbreaking also. The origins of enlargement go back to the beginning of the Union, when Jean Monnet pioneered the idea of European integration in the early 1950's. The first ever enlargement of the EU took place in 1973 when Ireland, Denmark and the United Kingdom joined the original six EEC states. Greece was then awarded membership in 1981, followed by Portugal and Spain in 1986 and finally Austria, Finland and Sweden in 1995.

The most recent enlargement brought the total and present membership to fifteen states. None of these enlargements were without problems or controversy. For example, the UK only succeeded in joining in 1973 after having been rejected in its previous bids for membership by French President Charles de Gaulle, while the Spanish and Portuguese accessions spawned conflicts over agriculture and the budget¹. The move towards the impending enlargement began to gather pace following the collapse of the Berlin Wall in 1989, along with the break-up of the Soviet Union and the end of the Cold War.

The newly autonomous states wasted no time in portraying to the EU their aspirations to join Europe's elite in the union. When one considers how rapidly these major events transpired, it becomes clear that the EU handled the developments with remarkable speed and efficiency. Enlargement means a great deal to the applicant countries, they envisage it to be part of their triumphant return to democracy after a gruelling forty years in the dark. The opportunity to join the thriving community of Western European states is a dream come true for the CEECs who have suffered much, and

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they are united in their belief that they deserve the chance to prosper. The president of the Czech Republic heralded the developments as the ‘return to Europe’, this is indicative of the excitement generated by the current proceedings.

Although it was stated in the treaty of the European Union in 1992 that “Any European state may apply to become a member of the union”², the first formal agreement that in principle the CEECs could join the EU was made at the Copenhagen European Council in June 1993. It was also at this summit that the criteria required for accession to take place were finalised and made known to the applicant countries. To meet these requirements, many political, economic and cultural changes would have to be implemented. The primary criterion was that of the constancy of stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.³ In contemporary Europe, this above all has to be displayed by the CEECs in order to gain membership. Economic or financial problems can be forgiven and remedied much quicker and easier than shortcomings relating to a country’s basic attitude toward democracy or human rights.

Secondly, the existence of a functioning market economy needs to be established, as well as the capacity to cope with competitive pressure and market forces within the European Union. Finally, the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union (this criterion concerns adoption of the *acquis communautaire*) must be shown⁴, as well as the ability of the EU to absorb new members while consolidating the impetus of European integration. The

adoption of these criteria poses significant questions for the CEECs, they far outweigh those faced by the countries of the four previous enlargements.

The *acquis communautaire* are ever-growing and constantly evolving standards, which now run to about 100,000 pages. They involve a body of laws, regulations and principles of the EU, the majority of which have to be adhered to by the applicant countries prior to membership. The Common Agricultural Policy is an example of one such area of the *acquis* that can't be adopted prior to accession.

6 The CEECs are sure to face problems in implementing the sizeable and detailed literature. The candidate countries' restricted experience of Western European legal models must also be overcome. 7 Helping the CEECs in adopting the *acquis* has been ongoing since the applications for membership were made. Accession partnerships have been drawn up between the EU and each candidate, detailing the short and medium term priorities for reform.

These partnerships are subject to regular review and updating. The success of the candidate in implementing its partnership and other preparations is subject to an annual report by the Commission, 8 which will be looked at more closely later on in the essay. Nevertheless, while political elites and public belief in the entrant countries support EU membership, there are other questions and doubts that the CEECs have with regard to EU membership also. The move from Moscow rule to Brussels rule is a worry for some, albeit a minority.

They fear for the independence of their countries in a union composed of many large superpowers, as well as their national individuality being

suppressed. The question of the two-tiered Union is a recurring one. This relates to inhibitions among the candidate countries about being treated like second-class citizens and member states even after accession to the EU. Perhaps it results from the divergence of the decision-making credentials of the Union.

This notion of a 'closed circle' of states within the EU, which would be fundamentally contrary to what the EU exemplifies is a deep worry for the applicant states. Former Commission President Jacques Delors advocated the creation of two Europe's not so long ago, proving that such worries are well founded. Also, with regard to meeting the economic criteria for membership, it can be seen that on the basis of GDP per head of population, the CEEC's are at a low level of prosperity compared with the present member states' average. For example, Hungary has a GDP of 51% of the EU average, while Poland's is 37%.⁹ These are two of the 'Luxembourg' candidates as well, who represent the stronger economies amongst the candidates. When Ireland joined the EU in 1973, our GDP was up to 60% of the average member state¹⁰ and this was frowned upon by many of them at the time.

The big question in this instance for the CEEC's is whether or not they can convince the EU that their economies can face up to the competitive pressures after entering the Union. They will be expected to do this without lengthy transition periods and without permanent derogations.¹¹ Looking at the facts surrounding the economic disparities between East and West, the enormity of the task facing the CEEC's becomes obvious. The GDP of the ten candidate countries for EU membership taken together, amounts to that of the Netherlands.¹² The "catching up process" has stalled, and this means

that the GDP of Slovenia and the Czech Republic, as an example, are likely to reach that of Greece and Portugal only by the year 2005. When these two most advanced candidate countries will reach the EU average GDP is difficult to predict.

If all ten CEEC's accession countries are included, the EU would add 28 per cent to its population (to reach 477 million), but only 4 per cent to its gross domestic product in terms of purchasing power parity. 13 The financial questions that play on the minds of all parties concerned are numerous, such as, how can the enlargement to the East be financed without increasing EU spending beyond the currently planned limit of 1.7 per cent of the member states' GDP, and how are the present net recipients of structural funds to maintain their share under these conditions? Also unclear is what happens if economic growth in the present 15-member EU, optimistically forecast at 2.5 per cent, turns out to be lower and their contributions to EU finances are thereby reduced? 14 Another apprehension among the candidate countries is that membership will cause a 'brain-drain' on their national economies, resulting in their top business minds leaving for foreign opportunities with better working conditions and wage levels than those on offer domestically. With regard to agriculture, CEEC's are aware that the EU institutions don't look too kindly on the many small, peasant farming which is very prevalent in the region. In fact agriculture in the CEEC's has been described as the 'sickest sector in all CEEC's' 15 They fear job losses resulting from the restructuring of the sector, due to the increased market competition and rural decline.

16 The rapid unification of West and East Germany is pertinent to recall here. The consequences of which were politically driven, it had devastating economic effects for industry and agriculture in the former German Democratic Republic. It created a high level of unemployment and, despite massive financial transfers from West to East Germany, little has changed with regard to the structural problems of the East. In fact, the net transfer from West to East Germany between 1990 and 1997 to the tune of approximately 500 million Euro, now represents a huge burden also for the West German financial, fiscal and social system. The CEEC's are also anxious about whether there exists a huge gap between the stated political will for enlargement and its realistic implementation.

None of the candidate countries for membership meet the economic conditions for quick accession. The differences between the political, economic and legal systems, developed over forty years of separation, are not so easily overcome and there is those who hold the opinion that it is irresponsible for Western European politicians to keep encouraging unrealistic expectations. 17 In the report by the Commission of November 2000 on the candidate countries, it discusses the political criteria of the Copenhagen summit. These refer mainly to the need for democracy, human rights and the protection of minorities. All the applicants have now met these requirements (except Turkey, with whom substantive dialogue has yet to take place), even if some still have a little progress to make in the area of protection of minorities. The need for reform of the judicial systems is pointed out, effective enforcement of the *acquis* is impossible without this.

18 Since the EU is in the first place an economic union or, more precisely, a subsidies community, when one considers that 80% of its budget goes to the different subsidy funds, we can anticipate that accession negotiations will take longer than generally anticipated. Also the conditions for accession and the results of the negotiations are likely to produce smaller development resources than expected and enlargement may well lead to a dispute over budget allocations within the old EU, between net recipients, net contributors and their national electoral constituencies, as well as between the old net recipients and the accession candidates. The institutional reform debate creates questions for the CEEC's also. Presently, after the failure of the Amsterdam summit to enact institutional reform, it could be argued that the EU is also institutionally incapable of enlargement. At the same time, very few EU politicians have so far been able to convey the longer term and non-economic dimensions of the eastward enlargement with the necessary enthusiasm, to the Western European tax payer, such as the vision of a Europe strengthened in the global competition.

Perhaps they feel an enlarged EU will be a combination of countries at different levels of wealth and development, with the EU required to stabilise fragile and young democracies and to exhibit a certain moral duty to repair the consequences of the Cold War division of the continent. The integration of Spain and Portugal in the EU is also worth recalling. Despite clearly better economic premises in these two countries and especially in what was then the European Community, full integration took about 18 years including eight years of negotiations and up to ten years of transition. 19 There are also

many relevant questions and concerns on the part of the current EU member states and the union as a whole in relation to the proposed enlargement.

Perhaps the major concern amongst the EU member states relates to institutional reform. As the EU has been growing over the years, the question of the effectiveness of the institutions has been asked more and more frequently. Realistically how could an institution designed for six countries play an adequate part in the decision-making of twenty-seven or so states? The fact of the matter is the institutions are already showing signs of creaking. Reforms of the institutional bodies and their decision-making structures are therefore fundamental conditions for the success of the enlargement process. The size of the commission, the weighting of votes in the council and the extension of qualified majority voting (QMV) are the topics of primary concern²⁰.

These are known as the 'Amsterdam leftovers' because that particular treaty was unable to make any final decisions on the topics and so passed them onto the Nice treaty of 2000. In response to the calls for reform in the commission, it was decided prior to Nice that from 2005 onwards, the five largest members should lose their second commissioner. So it will be composed of one person from each member state. However, once the number of EU members' reaches twenty-seven, a rotation system will have to be implemented.

²¹ Despite this attempt to limit the number of commissioners, the question regarding upwards of twenty-six commissioners being able to come to a decision without controversy remains. Thinking nationally, the rotation is

likely to be a disadvantage to Ireland. The Council agreed new voting weights, which will benefit the larger states. This took into account the sacrifices made by these states in relinquishing their second commissioner.

A new double majority system will prevail, whereby states in favour of a motion must amount to 62% of the EU population and outnumber the opposing countries before a motion is passed. It results in the original six of the EU possessing more than half of the total vote after enlargement, while it currently has just under half the total vote. So although it is pleasing for the major powers of the EU, the smaller countries of the enlarged EU will no doubt be questioning the fairness of the new system. The third issue of institutional reform open to debate is that of QMV extension to areas that currently require unanimity.

Its extension to more decision-making areas would ensure that the process runs more smoothly and effectively, since a single veto by one country couldn't stop a decision being made. However, there are member states that are concerned about the ease with which larger states could achieve a blocking minority in this system. QMV generally speaking creates a dynamic decision-making process and leads to agreement; it has to be the way forward for the enlarged EU. In economic terms, the EU still has many unanswered questions regarding enlargement to the CEEC's. As pointed out above, the economic credentials of the applicants are considerably weak. It's expected that the enlargement will reduce the per capita GDP of the EU by 16%.

This is not a new phenomenon for the EU to deal with, for example the three-country Mediterranean enlargement of the eighties reduced the EU's GDP by 6%,²² so perhaps inspiration can be drawn from this. Reform of the Common Agriculture Policy is another economic factor that the EU must consider carefully. What type of access to this fund should the CEECs be privy to? First of all, the CAP is in dire need of adjustment. This would be true even if there were no enlargement on the horizon. The Commission proposes that new members should at the outset receive only 25% of the CAP aid given to existing members, and this discrepancy would be eroded in the next ten years. Obviously the candidate countries protest against this proposal, but it is just not feasible to expect the EU to pay all the small, peasant farmers in these countries the same as large, modernised EU farmers.

However, it is hoped that the prospect of eastern accession of the EU may provide the incentive for the union to overcome the internal political resistance against another round of CAP reform that is in the best interest of the EU anyway.²³ Politically speaking, questions over whether or not enlargement will shift the political centre of gravity eastwards are commonplace. This could have profound implications for the Union's internal political balance.²⁴ France in particular, holds major fears in regard to this matter.

Having been one of the originators of the EU with Germany (together they formed the ECSE, prior to the EEC), the French are mindful of the eastern expansion taking control further away from Paris and closer to Berlin. Any eastern enlargement would definitely put Germany into a geographically central position in Europe,²⁵ and this would damage French interests.

Another political dilemma for the EU lies in the individual case of Turkey's application for accession. It has not been granted candidate status by the EU as of yet. Turkey has an appalling human rights record, political parties have been banned, the death sentence had been widely implemented up to recent times and the law enforcement were widely regarded as violent and notorious for their brutality.

Also the protection of minorities in Turkey is certainly not up to EU standards, the Kurdish population being the ones to suffer from this. So should the EU even be in negotiation with this type of candidate? The Turks argue that they should be subject to the same conditions as every other country applying for membership and technically, they are correct. After all, why was a country such as the UK allowed membership when it had an ongoing internal conflict (in Northern Ireland), which was far more internationally infamous than that of Turkey's? Federalist members of the EU have a major question mark over enlargement to the CEEC's, due to fears that the growth of the union will lead to a more intergovernmental and looser union. This would diminish their aspirations of a closer union significantly. If one looks at the history of this matter, it gives hope to these supranationalists, since past enlargements have also deepened EU integration whilst widening it.

However, perhaps an enlargement of the proposed size and nature of that forecast will be a bridge too far for the federalist ideals. Time will tell. In conclusion, it is clear that the proposed enlargement of the EU to the CEEC's along with Cyprus, Malta and Turkey is imminent (except in the case of Turkey) and it certainly does pose substantial questions for both the

European Union and the applicant countries. There are those who would suggest that, in this latest enlargement, the Union is taking on more than it can handle and that the undertaking faces too many obstacles and difficulties to succeed. However, this development is an historical imperative and a natural progression of the idealistic project, which dates back almost fifty years now to when the first six member states came together to forge an ever closer union among the peoples of Europe. This ideal still holds true today, and it is both the duty and desire of the EU to ensure a prosperous future for all concerned.