



TOWARDS AN EASTERN
ENLARGEMENT OF
THE EUROPEAN
UNION

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Towards an Eastern Enlargement of the European Union

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Introduction

The process of European integration can be said to have three dimensions which have changed over time, viz. functional scope, geographical domain and institutional capacity. In respect to scope the European Coal and Steel Community (1952) dealt, as the name suggests, with the coal and steel sectors. The European Economic Community (1958) expanded the scope of integration to include a number of economic policy areas, first of all commercial policy, agriculture, competition and transport policies. Later other policy areas were added including some which were not foreseen at the beginning, such as environmental policy. The Single European Act (1987) constituted a new effort to make sure that the internal market was completed by 1 January 1993 and the Maastricht Treaty (1993) have further expanded the scope to include education, culture, public health, industry and some other policy areas.

Geographical domain, i.e. the number of countries involved, has also grown over time. It started with six countries, France, the Federal Republic of Germany, Italy, Belgium, the Netherlands and Luxembourg in the early 1950s. Since then there have been four successive enlargements. In 1973 three countries joined: the United Kingdom, Denmark and Ireland. Greece joined in 1981 and Spain and Portugal in 1986. The latest enlargement brought three countries, namely Austria, Finland and Sweden, into what had now become the European Union (EU). Currently the EU has 15 members.

The third dimension, institutional capacity, is more difficult to measure. But the European Communities (EC) created the so-called "Community method" in order to be able to "upgrade the common interest" and avoid decisions based on the "lowest common denominator". Within the EC, which still exist as the first pillar of the EU, the European Commission is an independent body, which represents the Community interest. It has the exclusive right of initiative and can

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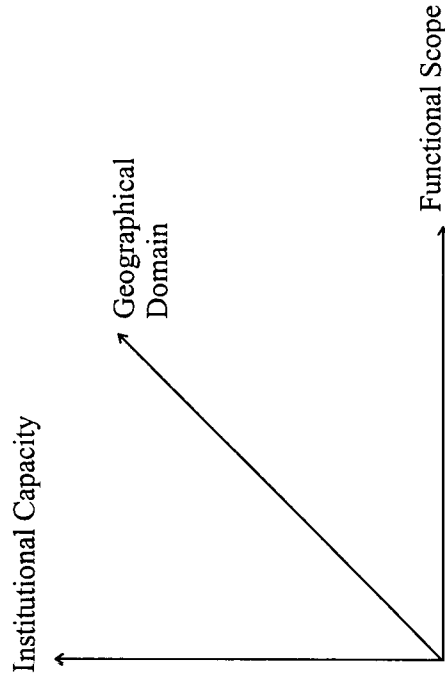
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actively help build the coalitions it takes to get decisions through the system.

Figure 1: Dimensions of Integration



Source: Compiled by the author

In the Council of Ministers a number of decisions can be made by a qualified majority vote (QMV). Individual member states therefore do not have a right of veto. The third element of the Community method is Community law, which is real binding law. It has primacy over national law and direct effect. The European Court of Justice (ECJ) makes binding judgements. The Community method is quite different from the way decisions are made and implemented in classical intergovernmental organisations. The EC has some supranational powers or a certain autonomy of its own.

If we look at the EU created by the Maastricht Treaty in 1992 then the Community method is applied in the first pillar, where we have the European Communities, namely the ECSC, the European Atomic

Energy Community (EAEC) and the EEC. In the Maastricht Treaty, the latter was renamed the *European Community*. The two other pillars remain largely intergovernmental, namely the second pillar dealing with Common Foreign and Security Policy (CFSP) and the third pillar dealing with Co-operation in Justice and Home Affairs. These other two pillars have lower institutional capacity. There is normally no majority voting, the Commission plays a lesser role and the common positions or joint actions adopted do not constitute Community law.

Historically seen, the question of institutional capacity has been controversial. Some countries are more willing to create strong common institutions than others. We have "federalist" oriented countries, such as Germany, Italy and the Benelux countries, that would like the EU to move in the direction of a federal state. Other member states, including the UK and Denmark, do not want the EU institutions to become too strong. General de Gaulle tried to limit the powers of the EEC institutions in the 1960s, and there is still some "gaulist" influence in France. It was the French who invented the pillar structure of the Maastricht Treaty, thus allowing CFSP to remain intergovernmental.

In this article we shall mainly take a look at the EU's current enlargement policy, which is of course to some extent linked with the dimensions of scope and capacity. In recent years we have seen a debate in Europe on "Deepening versus Widening" (Wallace, 1989; De la Serre, 1991; Wessels, 1996). In the past widening, i.e. enlargement, was often linked with deepening. For instance, the first enlargement agreed upon at the summit in The Hague in 1969 was linked with the creation of European Political Co-operation (EPC), the foreign policy co-operation among the member states, which started in 1970. Spanish and Portuguese membership came in parallel with the Single European Act (SEA), which was the first major reform of the EC. In order to complete the internal market qualified majority voting (QMV) was made the normal decision rule for adopting internal market legislation. Thereby

the SEA contributed to giving the process of European integration a new momentum in the mid-1980s. The last enlargement as of 1 January 1995 was made on the basis of the Maastricht Treaty, which has deepened integration in various ways, *inter alia* by outlining the phases towards the Economic and Monetary Union (EMU), by giving the European Parliament a right of co-decision in a number of areas, by adding a number of new policy chapters, even including education and culture, and by upgrading EPC to become CFSP, which also includes defence policy (Laursen and Vanhoonaeker, 1992).

The Maastricht Treaty foresees an intergovernmental conference (IGC) to review the treaty in 1996. This conference, which is currently taking place, is now seen as the conference which will make the next enlargement possible, namely with some Central and Eastern European Countries (CEECs) and possibly Cyprus and Malta (Ludlow et al., 1995). In 1990 the latter two countries applied for membership. At the moment 10 CEECs have applied for membership (see *table 1*)

Table 1: Applications for EU membership

1. Hungary, 31 March 1994	6. Estonia, 28 November 1995
2. Poland, 5 April 1994	7. Lithuania, 8 December 1995
3. Romania, 22 June 1995	8. Bulgaria, 16 December 1995
4. Slovakia, 27 June 1995	9. The Czech Republic, 22 January 1996
5. Latvia, 27 October 1995	10. Slovenia, 10 June 1996

Source: Hagn-Meincke and Hassø, 1996: 102, *Nyt fra Europa*, October 1996

Furthermore, Turkey applied for membership in 1987, but the Commission said in its opinion in 1989 that Turkey was not ready for membership (EC, 1989). The latest elections in Malta have brought a

new government to power which seems less interested in membership than the former government, and the continued division of Cyprus could still create problems for the membership of Cyprus. In this article we shall concentrate on the CEECs.

The Development of EC/EU Enlargement Policy

The Maastricht Treaty deals with enlargement in article O, which stipulates:

"Any European State may apply to become a Member of the Union. It shall address its application to the Council, which shall act unanimously after consulting the Commission and after receiving the assent of the European Parliament, which shall act by an absolute majority of its component members.

The conditions of admission and the adjustments to the Treaties on which the Union is founded which such admission entails shall be the subject of an agreement between the Member States and the applicant State. This agreement shall be submitted for ratification by all the contracting States in accordance with their respective constitutional requirements".

Clearly, this article is procedure oriented. We notice that the European Parliament must give its assent, which is a power it has had since the SEA. Given the fact that unanimity is required in the Council, each member state, as well as the European Parliament, has a veto. Apart from saying that a member state must be European the article does not state the conditions of membership. Morocco, which applied in 1987, was told that it could not join because it was not European. Although the Commission's opinion on Turkish membership was negative, the

question of eligibility was answered in the affirmative. So Turkey can hope to join eventually, once certain political and economic obstacles have been removed.

The European Council meeting in Maastricht in December 1991 also issued a short statement on enlargement, saying "that any European State whose system of Government is founded on the principle of democracy may apply to become a member of the Union". So democracy is a condition. Furthermore, it was now a question of membership of the new EU, which included the provisions on the EMU and CFSP. Negotiations on accession of the applicants from European Free Trade Association (EFTA) states "on the basis of the Treaty now agreed" could start as soon as the Community had terminated "its negotiations on Own Resources and related issues in 1992". The last point meant that an agreement on the future budget of the EU (known as the Delors II plan) had to be found. The European Council in Maastricht also invited the Commission to prepare a report on enlargement for the Lisbon summit in June 1992 (*Agence Europe*, 12 December 1991).

The Commission presented this report on "Europe and the challenge of enlargement" at the meeting of the European Council in Lisbon in June 1992. It referred to a new context, partly because of the completion of the internal market and creation of the EU, partly because of the end of the Cold War. The integration of the CEECs was now seen as "a historic opportunity". It could contribute to the "unification of the whole of Europe" (EC, 1992). The Lisbon Report set the following conditions of membership:

- democracy and the respect of fundamental human rights
- acceptance of the Community system and capacity to implement it, including a functioning and competitive market economy, and an adequate legal and administrative framework

- acceptance and capacity to implement the Common Foreign and Security Policy "as it evolves over the coming years"

The report mainly dealt with the EFTA applicants, whose membership "should not pose insuperable problems of an economic nature". However, the question of neutrality (of Austria, Sweden and Finland) was seen with "a particular concern". Cyprus and Malta did not pose insuperable problems for the Community's *acquis communautaire*, i.e. current rules and regulations, but the de facto separation of Cyprus into two entities was seen as a problem. In the case of Turkey the report referred to the Commission's opinion of 1989. Short of membership, Turkey's association with the EC should be "more actively and effectively applied".

The Edinburgh summit in December 1992 solved the financial issues by adopting the Delors II plan and decided that membership negotiations could start with Austria, Sweden and Finland early in 1993 before the full ratification of the Maastricht Treaty. Negotiations could start with Norway as soon as the Commission issued its opinion on Norwegian membership. Accession, however, could only take place after the entry into force of the Maastricht Treaty (Laursen and Vanhoonaeker, 1994: 413).

At the time of the Lisbon summit none of the CEECs had applied for membership. Association agreements, known as Europe Agreements had been negotiated with Poland, Hungary and Czechoslovakia, and negotiations on similar agreements were taking place with Bulgaria and Romania. Trade and Co-operation Agreements had been signed with the three Baltic states and Albania.

The Europe Agreements acknowledged that membership was the goal of the CEECs, but the EC side did not offer such membership at the time. The subtle language used, for instance, in the Hungarian agreement, was: "HAVING IN MIND that the final objective of Hungary is to become a member of the Community and that this

association, in the view of the Parties, will help to achieve this objective..." (OJ L 347, 31 December 1993).

Concerning membership for the CEECs a break-through came at the Copenhagen meeting of the European Council, 21-22 June 1993, where the heads of state and government agreed, that "the associated countries in Central and Eastern Europe that so desire shall become members of the European Union". The economic and political conditions were listed in the following way:

"Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union" (quoted from Laursen and Vanhoonaeker, 1994: 458).

The Presidency conclusions then went on to say:

"The Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries".

Put differently, both the EU and the candidate countries have to be ready. Widening was linked to the EU's capacity to continue the process of integration, although different members had different perspectives on what this meant.

The Madrid summit, 15-16 December 1995, dealt with the issue of CEEC membership of the EU once more. The European Council now said that "Enlargement is both a political necessity and a historic opportunity for Europe". It reiterated that accession negotiations with Malta and Cyprus will start six months after the conclusion of the 1996 Intergovernmental Conference (IGC), as promised at the Corfu meeting of the European Council in June 1994. Concerning the CEECs the European Council confirmed in Madrid "the need to make sound preparation for enlargement on the basis of the criteria established in Copenhagen and in the context of the pre-accession strategy defined in Essen" in December 1994. The pre-accession strategy would have to be intensified. The Madrid conclusions continued:

"[The European Council] asks the Commission to expedite preparation of its opinions on the applications made so that they can be forwarded to the Council as soon as possible after the conclusion of the Intergovernmental Conference, and to embark upon preparation of a composite paper on enlargement. This procedure will ensure that the applicant countries are treated on an equal basis.(...)

Following the Conclusion of the Intergovernmental Conference and in light of its outcome and of all the opinions and reports from the Commission referred to above, the Council will, at the earliest opportunity, take the necessary decisions for launching the accession negotiations.

The European Council hopes that the preliminary stage of negotiations will coincide with the start of negotiations with Cyprus and Malta" (EU, 1995).

The debate concerning the question whether some CEECs would join sooner than others was left unanswered. For the moment the official

policy is that the applicants will be treated on an equal basis and the European Council hopes that accession negotiations can start six months after the IGC. It may be worth noting in this connection, however, that the EC/EU has never taken in more than three new members at the same time. Moreover, the transition process proceeds with different speeds in the CEECs.

Finally, the Florence summit of the EU in June 1996 stressed "the importance of the strategy for preparing for accession, which now incorporates Slovenia" and went on:

"Recalling its Madrid conclusions, it reiterates the need for the Commission's opinions and reports on enlargement as called for at Madrid to be available as soon as possible after the completion of the Intergovernmental Conference so that the initial phase of negotiations with countries of Central and Eastern Europe can coincide with the beginning of negotiations with Cyprus and Malta six months after the end of the ICG, taking its results into account" (*Agence Europe*, 23 June 1996).

At Madrid the heads of state and government "hoped", now they said that negotiations "can" start six months after the IGC. Under pressure from the CEECs the language was slowly and subtly changing. However, difficult decisions about who will be admitted and when still have to be faced.

Profile of applicants

In an internal Commission paper on enlargement prepared in 1991 (i.e. during the Maastricht Treaty negotiations), the applicants at the time as well as potential applicants, were divided into three groups, viz. the EFTA countries, the CEECs and the Mediterranean countries. At the

time EFTA countries were seen as the front runners partly for economic, partly for political reasons. The EFTA candidates were relatively small, relatively rich, trade-wise already very integrated into the EC through Free Trade Agreements (FTAs) from 1973/74, and employment in agriculture was relatively low. If we look at the CEECs some are slightly bigger, Poland with about 39 million inhabitants, and Romania with about 24 million. The GDP per capita is relatively low. In 1991 the Commission gave figures varying between 4,500 and 7,000 ECU per capita (compared with 15-25,000 in EFTA countries). The share of employment in agriculture remained high, up to about 26-27% in Poland and Romania. Among the Mediterranean applicants Turkey is a big country (about 55 mill. inhabitants), poor (a GDP per capita of about 1,309 ECU in 1989) and about 50% of the population employed in agriculture (EC, 1991). For an overview of the CEECs, see *table 2*, which singles out the Czech Republic, Hungary, Slovakia and Poland as the Visegrad 4 (because of regional co-operation started in the Hungarian town Visegrad). These countries have some times been considered the front runners among the CEECs, although lately there has been some doubts about the respect for democratic rules in Bratislava.

Figures for GDP vary quite a lot. *The Economist* gave the following 1994 GDP, at purchasing-power parity exchange rates: The Czech Republic \$7,910, Slovenia \$7,020, Slovakia \$6,660, Hungary \$6,310, Poland \$5,380, Latvia \$5,170, Estonia \$4,519, Bulgaria \$4,230, Lithuania \$3,240, and Romania \$2,920. This should be compared with an average of \$18,170 for the fifteen EU members. The figures given for the Mediterranean applicants were: Cyprus \$10,260, Malta \$7,460, and Turkey \$4,610 (*The Economist*, August 3rd, 1996). Very roughly we can say that the average GDP of the CEECs is about a third of the average GDP of current EU members.