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## **Eastern Enlargement & Reform Discussion**

By Christine Brandt

- **The process of the Eastern Enlargement**
  - *Motivation of the Eastern Enlargement*
  - *Membership conditions*
  - *The road to membership*
- **Does the EU need a new constitution?**
  - *The must of a new constitution*
  - *The proposal and its analysis*
  - *The vote in France and the Netherlands*
- **Conclusion**

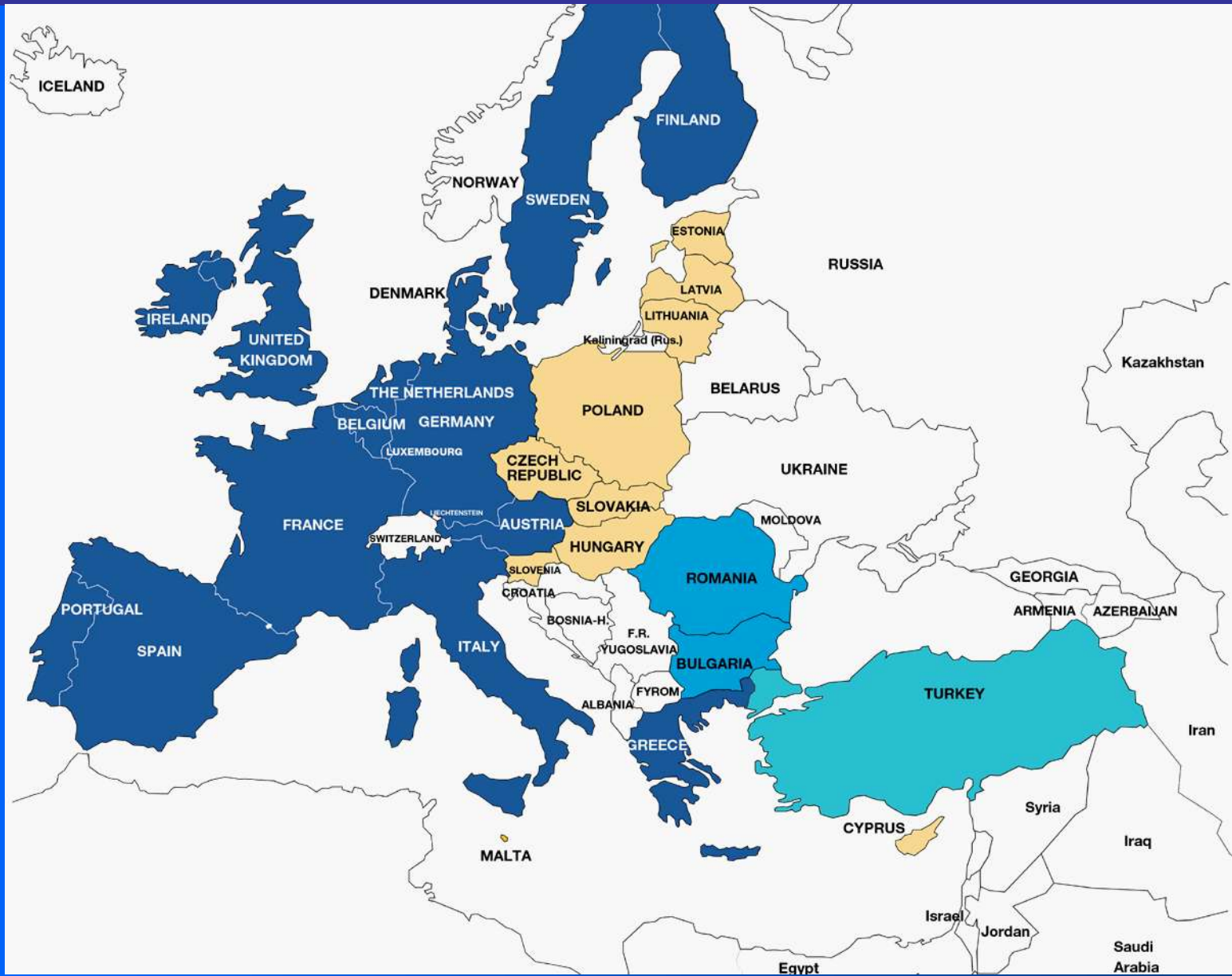


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# Eastern Enlargement
















# Introduction













# Introduction



## EU15-KEY DATA

EU 15 MEMBER STATES AND CAPITALS	POPULATION THOUSANDS 1.1.2004	GDP BILLION EURO2002	AREA 1000 km <sup>2</sup>
AUSTRIA Vienna 	8,092	218	84
BELGIUM Brussels 	10,397	260	31
DENMARK Copenhagen 	5,398	183	43
FINLAND Helsinki 	5,220	140	337
FRANCE Paris 	59,896	1,521	544
GERMANY Berlin 	82,545	2,110	357
GREECE Athens 	11,047	141	132
IRELAND Dublin 	4,025	129	70
ITALY Rome 	57,482	1260	301
LUXEMBOURG Luxembourg 	451	22	3
NETHERLANDS Amsterdam 	16,258	444	41
PORTUGAL Lisbon 	10,480	130	92
SPAIN Madrid 	40,978	696	505
SWEDEN Stockholm 	8,975	256	411
UNITED KINGDOM London 	59,518	1,659	244
<b>Total</b>	<b>380,762</b>	<b>9,169</b>	<b>3,191</b>

## NEW MEMBER STATES-KEY DATA

ACCESSION COUNTRY AND CAPITAL	POPULATION THOUSANDS 1.1.2004	GDP BILLION EURO2002	AREA 1000 km <sup>2</sup>
CYPRUS Nicosia 	728	11	9
CZECH REP Prague 	10,211	78	79
ESTONIA Tallinn 	1,351	7	45
HUNGARY Budapest 	10,115	69	93
LATVIA Riga 	2,319	9	65
LITHUANIA Vilnius 	3,447	15	65
MALTA Valletta 	400	4	0.3
POLAND Warsaw 	38,194	202	313
SLOVAKIA Bratislava 	5,318	26	49
SLOVENIA Ljubljana 	1,997	23	20
<b>Total</b>	<b>77,143</b>	<b>444</b>	<b>738</b>

2002: 1 Euro = US \$0.95

The Eastern Enlargement is rooted in the collapse of communism,

- symbolised in the fall of the Berlin Wall in 1989,
- which offered an unexpected opportunity to expand European integration.



## → The political impact of enlargement

- Healing the rift in Europe opened up by World War II and the Cold War
- Sharing the goals of peace, freedom, democracy and prosperity
- Raising the standard of living

The level of GDP for the new EU members varies from 35% of the EU average for Latvia to 74% for Slovenia.

## → **The economic impact of enlargement**

A bigger and more integrated market boosts economic growth for

- new member states
- and old members



## → The economic impact of enlargement

A bigger and more integrated market boosts economic growth because of

- more trade (no tariffs or quota barriers)
- investments
- transfer of technology & know-how
- general conditions
  - legal and regulatory environment
  - political stability



## → **The economic impact of enlargement**

- The newcomers stand to benefit from
  - investments from firms based in western Europe
  - access to EU funding for their regional and social development.
- The old member states get important clients for
  - investments,
  - exports of capital,
  - exports of consumer goods.
- The enlarged single market



## → **The economic impact of enlargement**

- The European Commission estimates that
  - for the newcomers joining the Union will add up to 1% extra growth each year during the first 10 years of membership.
  - The amount of extra growth in the other members, though lower, is still significant.

Any European state  
which respects the principles of  
liberty,  
democracy,  
human rights and  
fundamental freedoms,  
and the rule of law  
may apply to join the Union.

(Maastricht Treaty, 1993, Article 49)

→ *unexact definition*

## Basic conditions:

- stable institutions guaranteeing democracy;
- rule of law,  
protection of human rights and minorities;
- a functioning market economy;
- capacity to cope with market forces and  
competitive pressures within the Union;
- ability to take on the obligations of membership,  
including economic and monetary union.

## 12 candidate countries:

- Cyprus, Malta,
- the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia,
- Bulgaria, Romania

# The road to membership

## – 1989 -1998



- The EU had been **helping the candidates** prepare for membership by
  - helping them to switch to market-based economies
  - introducing the institutional structure of pluralist democracies in the former communist countries



# The road to membership

## – 1989 -1998



### – Phare

programme to free themselves from communism,

### – ISPA

which supports the development of Infrastructure,

### – Sapard

which helps the newcomers modernise their agriculture.

Together these programmes provide €3 bill. a year.

# The road to membership

## – 1989 -1998



### – Trade agreements

- giving central and eastern Europeans preferential access to EU markets for most of their exports.
- no tariffs, no quota barriers

*-The actual entry negotiations began later...*

# The road to membership – 1998 -2004



## Entry negotiations

- affected by fears on both sides

- Fears of the old 15 EU countries about
  - more immigration,
  - the choice of locations of companies,
  - an influx of cheap labour and
  - the impact of lower environmental standards.

# The road to membership – 1998- 2004



## Entry negotiations

- affected by fears on both sides

- Fears of the new members about
  - competitive position of their farmers
  - increasing land prices
  - foreign takeovers of local companies
  - no attention to and regulations for small countries

# The road to membership – 1998 -2004



## The negotiations

- access to EU funds of the newcomers
- environmental projects (ISAP)
- transitional measures,
  - free movement of workers (<7 years)
  - acquisition of property (7 or 12 years)
- effective controls at the Union's external frontiers

# The road to membership – 1998 -2004



## ‘twinning’

- to develop a modern & efficient administration

- It identified and supported projects whereby administration could learn how to manage key sectors of EU policy.
- An expert from an EU country was sent to each project for at least 12 months as mentor to the local officials.
- A total of 683 twinning projects were carried out between 1998 and 2002.

# The road to membership – 2002



- By 2002 it was clear that **ten candidates** would pass the test:
  - Cyprus, Malta
  - the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

They joined formally on 1 May 2004.

- Bulgaria and Romania were judged to be not yet ready for membership, and a fresh target date of 2007 was set for their entry.
- Candidate countries since 2005 are Turkey and Croatia.
- Future candidates are
  - Macedonia
  - Bosnia & Herzegovina
  - Serbia & Montenegro
  - Albania



# The road to membership – 2004



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## Take part in the institutional structures

- ministers became a member of the Council;
- representatives for the European Parliament were elected;
- members of the European Commission were nominated;
- their languages became official languages of the Union.

# The road to membership – 2004



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## Access to EU programmes and funds

- the Union's limited resources are shared out in a way that gives priority to the most needy.
- 2004 - 2006, a total of 21.75 bill. € from the EU's funds has been set aside for the new members.
- They also benefit from support for their farmers under the common agricultural policy.

# The road to membership – 2004



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## Single European market

- free trade of goods and services
- free capital market
- free movement of workers
  - in 7 years, transitional measures

# The road to membership – 2004



## EU rules and regulations

- The new members must adopt all the existing EU rules and regulations.

The *acquis communautaire*,  
contains more than 80 000 pages of  
EU law



# The road to membership – 2004



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## Controlling the Eastern borders

- Internal mobility and security within the EU
- effective controls at the Union's external frontiers
- newcomers are taking over responsibility for controlling large stretches of these borders
- the EU has provided considerable funding for modern equipment and personnel training

## 25 Members - decision-making is harder

- Different groups:
  - North – South
  - West – East
  - Small – large countries
- Decision making in the Council
  - Deciding in unison gets less possible
  - But every country has to have a vote  
Otherwise the democratical legitimization is violated



# Does the EU need a new Constitutional Treaty?

- **Simplification**
  - existing EU rules and regulations -more than 80 000 pages of EU law
- **Transparency**
  - clarification of competences
- **Effectiveness**
  - a balanced institutional system
- **Legitimacy**
  - role of the European parliament  
(directly elected, has only the right to propose)
- **Democracy**
  - taking account of civil society



# The aims of a new treaty



- Simplification
- Democracy
- Transparency
- Effectiveness
- Legitimacy



**A Constitution**  
for Europe

# The way to a new treaty



2001	....	2004	... 2006...
Elaboration of a constitution was entrusted to a convention		Signature by Head of States or governments	Ratification by member states  ???????????

## The founding principles of the Union

- Values and objectives are defined in the European Charter of Fundamental Rights
  - dignity, freedom, equality, solidarity, citizens' rights, justice, ....
- A legal personality for the EU
  - Possibility to ratify international treaties

## The founding principles of the Union

- Participative democracy
  - right of popular legislative initiative (1 mill. signs)
- Clarifying of competence between the EU and its member states
  - Principle of subsidiarity
    - Monitoring by the national parliament
  - Primacy of community law

## A balanced institutional system

- European Parliament
  - More power of decision in the legislative procedure
- Number of seats:
  - max. 750 (732 in 2004)
  - No country more than 96 seats
  - No country less than 6 seats
  - degressively proportional distributed seats

## A balanced institutional system

### – European Commission

- Because of the enlargement the Commission grew from 20 to 30 members
- Fair system of rotation (from 2014 on)
  - 2/3 of the member states
  - Treaty of Nizza

## A balanced institutional system

- European Council
  - will be chaired by a President elected for two and a half years
- Union minister of Foreign Affairs
  - Representing the Union on the international scene

## Decision-making in the Council & Council of Ministers

- Any country can veto and stop the whole legislation process
- Taking the number of 25 members into account
- EU nearly unable to act in important fields



## Decision-making in the Council & Council of Ministers

- A double qualified majority is achieved if
  - a 55 % majority of member states
  - votes must represent at least 65 % of the total population
  - blocking minority of at least 4 member states
- The joint adoption of European laws by the European Parliament and the Council is to become the norm

- **Simplification**
  - one treaty
- **Transparency**
  - clarification of competences
- **Effectiveness**
  - a more balanced institutional system
- **Legitimacy**
  - major importance of the European Parliament
- **Democracy**
  - taking account of civil society

- France: „non“
  - Affraid of losing social security
  - Voter participation very high
  
- The Netherlands: „nee“
  - Do not want an expansion of social security
  - Voter participation very low





# Conclusion

- **The process of the eastern enlargement**
  - *Motivation of the eastern enlargement*
    - *Political and economic benefits*
  - *Membership conditions*
    - *stable democracy*
    - *rule of law*
    - *functioning market economy*
  - *The long road to membership*

- **Does the EU need a new constitution?**
  - *Necessity of a new constitution? – Yes*
  - *The proposal - an improvement*
  - *The vote in France and the Netherlands*
    - *“non” & “nee”*  
*not because of the contents of the proposal*