

The unprecedented enlargement to the countries of Central and Eastern Europe: EU's response, strategy and handling of accession

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Abstract

This paper is trying to describe the way the unprecedented enlargement to the countries of Central and Eastern Europe took place and under what circumstances. At the same time it tries to depict the strategies and the policies by which the process took place, and in the final part it will present the effects of the enlargement both on the member states as well on further enlargements.

Keywords: CEE, EU, enlargement.

Introduction

As a response to the end of the Cold War and the fall of the iron curtain which for more than 40 years divided the prosperous, free West and the oppressed, impoverished East, in 2004 the EU has enlarged by ten countries from the previous eastern bloc hoping to promote and stabilize democratic regimes in the former communist states.

Moreover, it should be mentioned that there was mainly a security issue at stake in this enlargement. After the Second World War the creation of the European Union was intended to make wars between France and Germany impossible, and because the beginning of the SWW started with Germany's invasion of Poland it finally became a historic responsibility for Germany to bring Poland into the Union. Thus, the expansion of the European Union to the east was also intended as a quest for stability in Europe apart from a shared responsibility for repairing the Cold War split of Europe.

Although there was a big difference in the development of the member states and the former communist states which would bring significant implication for the EU spending and also might influence EU's functioning and further integration, the EU decided to opt for enlargement and not only for inter-regional cooperation with the former communist states taken as a regional actor. According to Hayward (1996), some members (such as UK) favoured the enlargement exactly for the reason that it might hinder the further institutional deepening within the EU to which it was opposing.

EU's enlargement strategy

Not long before the fall of the communist regimes in Central and Eastern Europe the EU

had already conducted individual negotiations with the CEECs. It signed trade and cooperation agreements with Hungary in 1988 and in 1989 with Poland and the Soviet Union. A very important role in defining which states were more compatible with a market economy and a pluralistic electoral democracy was held by the association agreements put in place by the EU, just like that with Turkey in 1963 that led to a customs union in 1996.

Very early, in December 1990, the EU negotiated agreements with some of the CEE countries (Czechoslovakia, Hungary and Poland) which were concluded in December 1991. These agreements were conducted bilaterally and although they covered free trade, financial and technical assistance, energy, environment and communication they did not commit EU to giving membership.

These agreements also included the development of laws compatible with the single market in relation with state subsidies and freedom of competition in compliance with the goals of the EU i. e. free movement of capital, commodities and people.

Some programmes were put into play such as PHARE which initially was meant to provide Poland and Hungary with the technical assistance needed for economic reconstruction but it later not only extended to other CEECs but also widened its scope fostering political and economic structures compatible with a market economy. Starting with 1992 the recipient states were required to promote democracy, human rights and the rule of law.

TACIS was a programme which assisted the former Soviet republics through the transition to a market economy and encouraged democracy and the rule of law. The sums allocated to this programme were much lower than those of PHARE because the purpose of the two programmes was also different: while PHARE was meant to prepare the countries to become EU members, TACIS was only preparing the conditions for a market economy outside the EU.

Given the increasing instability in the east (Yugoslavia, Albania) and the concept that reforms and help would ensure stability, the promise of enlargement was first brought into discussion in 1993 at the Copenhagen European Council which agreed to the CEECs' joining the EU but only if they fulfilled certain conditions: a functioning market economy with the capacity to cope with competitive pressures and market forces within the EU; stability of institutions guaranteeing democracy, the rule of law, human rights, and respect for and protection of minorities; the ability to take on the obligations of EU membership (*acquis communautaire*) including adherence to the aims of EMU and political union.

Following a carrots and sticks strategy the EU would attract the candidate countries but at the same time it would also impose reforms at the national level. In order to help the CEECs adopt and implement the *acquis communautaire*, the EU launched a pre-accession strategy.

Hill and Smith (2005) argue that EU by actively using membership conditionality went even beyond encouraging the implementation of the *acquis*. It "criticized domestic political processes and outcomes, and foreign policy choices, and expressed strong preferences for particular changes." What the EU was trying to do was to lay the basis for European security before enlargement by encouraging the CEECs to sign good-neighborly agreements on borders and the treatment of minorities.

Overall it seems like the membership conditionality was a very successful foreign policy

instrument because it generated impressive reform and change. The combination of passive and active leverage (Vachudova, 2001) allowed the European Union to shape almost every area of the domestic policy-making in the candidate countries.

However there are voices in the EU (Bardi et al, 2002) stating that the process of reform required for enlargement has been slow and discontinuous. It was suggested that sometimes the reforms and changes in the candidate countries would be more effective and at a faster pace than the reforms needed within the EU for enlargement as at first the EU institutions were designed for a small number of countries. In addition, Grabbe (2001) points out that some self-interested politics rose among some member states (with regard to the CEECs) that might use the membership conditionality as a means of stalling membership with the effect of undermining democratic and economic reform and thus imperiling the security of the EU's eastern borders.

One of the biggest issues the EU had to deal with was related to the number of countries that were supposed to join and which ones should have been left out. While on the one hand if more countries joined, EU's weight on the global stage would increase, but the economic burden for the member states would also increase and none of the member states was ready to carry this burden. On the other hand there was some fear that leaving out some of the countries would only create more insecurity in the area. In order to avoid destabilization by differentiation the EU started focusing on the multilateral approach to relations with the CEECs and their neighbours granting help to regional cooperation initiatives, and starting an inclusive accession process. In 1997 the EU decided to separate the applicant countries into two groups and begin negotiations with only one of them (including the Czech Republic, Estonia, Hungary, Poland, Slovenia, and Cyprus). Very quickly Latvia and Lithuania made big progress in meeting the conditions, and Slovakia's political condition (which previously was hindering it from entering formal negotiations) changed. This triggered their inclusion in negotiations, leaving out only Romania and Bulgaria. But given the Kosovo incident in 1999 and their contribution to NATO it was considered not reasonable to leave them out of the negotiations, thus in 2000 Romania and Bulgaria were included in the negotiations as well. The only country that remained out of negotiations was Turkey that did not meet the political condition but it concluded an Accession Partnership with the EU.

Because of their great disadvantage in negotiations the post-socialist states had to entirely accept the conditions of the *acquis* with no opportunity to back out of crucial chapters. They were forced to accept in principle their joining the European Monetary Union when they were ready and could not opt out. Having independent central banks was another condition which would reduce the influence of the government in the economic policy. These members had to become part of the Schengen visa regime and adopt EU visa policy with respect to third parties.

From a soft power point of view it is important to mention the strategy the EU used in concluding the big enlargement and how it dealt with countries that were supposed to be left out. After deciding upon an enlargement to ten countries at one time due to the terrorist events in the USA and the necessity of a stronger united Europe, there were discussions about the "time" when these CEECs could effectively join without keeping out the slow reformists (such as Poland) and not holding back the forerunners. Thus, in December 2002 at the Copenhagen European Council

it was decided that the ten would join starting with May 2004. Another strategic and rather exceptional decision was giving a definite date for accession to Romania and Bulgaria, i. e. January 2007, although they were not really ready for accession, but it was also not possible to let them outside of the EU in order not to estrange them from their desire of enlargement and because they represented, if stabilized, strategic partners at the eastern border of the EU.

Croatia became the 28th member of the European Union starting with 1 July 2013, six years after Romania and Bulgaria joined the EU. It applied for membership in 2003 but membership negotiations started only in 2005. The main obstacles in its accession were its lack of willingness to fully cooperate with the International Criminal Court for the Former Yugoslavia and its border disputes with Slovenia (Whitman 2013). Becoming aware of the fact that new members undergo a slowdown in reforms after accession, the EU started monitoring developments in the prospect member states more carefully. Croatia was the first country to be subjected to the most extensive screening process of all EU aspirant countries until now. It was also the first aspirant to satisfy the SAAs (Stabilization and Association Agreements) before satisfying the other membership criteria.

Effects of enlargement and prospects for further enlargements

The main issue after the 2004 enlargement was the allocation of the budget and eventually its increase. Germany, France, the UK, Sweden, Netherlands representing the economically rich countries of the Community were unwilling to raise their contribution because enlargement implied that the new members would enjoy same levels of agricultural transfers and state aid as the old members.

After enlargement the old members facing difficulties could limit the free movement of labor for two years with the possibility of further review. The movement of goods and capital could also meet short-term limitations. Transition periods were granted by the Commission regarding problem sectors such as water, waste and environment.

One of the most important issues was related to the common agricultural policy where the existing members would hardly accept cuts in order to transfer funds to the new members. Planning to bring the new members at the full Union level by 2012 the initial payments towards the eastern countries within CAP represented only 25% of the payments towards the old members which was still a rise in the living standards. At the same time the new members received budgetary transfers, structural and cohesion grants.

After the admission of the two “laggards”, Bulgaria and Romania, the European Union became a solid bloc leaving a few groupings outside the borders of the EU as indicated by Lane (2007): the four countries with accession status (Turkey, Albania, Croatia, and Macedonia); the EFTA states (Iceland, Liechtenstein, Norway and Switzerland) whose admission lacked popular political approval but who enjoyed economic inclusion; potential members currently lacking accession status (Bosnia-Herzegovina, Serbia and Montenegro); the CIS states (Ukraine, Belarus, Moldova, Georgia, Armenia and Azerbaijan with Ukraine, Moldova and Georgia aspiring to EU membership); the Mediterranean neighbours (Morocco, Algeria, Libya, Tunisia, Egypt, Palestine, Israel, Lebanon,

Jordan, Syria) which are not European states thus unlikely to seek membership.

After Croatia's accession in 2013 the EU sent the message that it is possible for the other countries of Western Balkans to join the EU if they meet the necessary requirements. But these countries will have to meet tougher conditions set up in the Stabilization and Association Agreements, prior to satisfying the standard EU membership criteria, known as the Copenhagen criteria (Stafaj 2014). Croatia is a small state with a population of only 4.4 million people, and it will increase the number of EU commissioners by 1 and the number of MEPs by 12 (Mahony 2013). It is not a very heavy burden on the EU and its accession did not cause the reform of the EU institutions.

Lane (2007) also excludes Belarus and Russia from the enlargement agenda although the EU is committed to enlargement due to the lack of reform in the first and the size of the second (both in point of population and territory). As further enlargement is expected to be directed towards small states, the countries that might be subject for expansion are Bosnia, Macedonia, Albania and Montenegro.

Further enlargement towards Turkey and Ukraine is also very less probable because of the size of the two countries and therefore the difficulty to integrate them easily. For instance Turkey although being a NATO member and having a very strong economical association with the EU it still does not meet the political conditionality corroborated with the large growing population (growth is faster than in the European countries), mainly Muslim which would pose more problems legally and socially. Ukraine with its largely agricultural population and underdeveloped industry has shown political instability after the fall of communism in Eastern Europe hesitating between stronger ties with EU or Russia.

Some researchers are very skeptical about further enlargement but rather sustain that the EU will try to develop cooperation with the states around its borders under other frameworks, like European Neighbourhood Policy. But this kind of integration without membership, or gradual membership will also present some disadvantages for the neighbours: they will have no direct role in decision-making, and they will not benefit from transfers from the EU's budget.

Some of the causes of hindering the EU from expanding more are the problems generated by the 2004 enlargement which found the creation of a common identity very difficult by bringing into the Union more languages, more religions, more cultures along with the new states. It is worth mentioning that Eastern Europe and Western Europe have always manifested big cultural differences, and while the western countries might show a relatively stronger cohesion among themselves because of the rich historical interrelations, the eastern countries on the contrary are very different among themselves while manifesting big differences with the western countries.

The international stage has also changed since the 9/11 incident therefore it would be understandable if the EU also became more cautious about illegal immigrants, potential terrorists, trafficking. Instability in Moldova, Georgia and Chechnya, and recently in the Arab world also raises the fear of terrorism and therefore asks for enforcement of security.

Economically speaking, the big-bang enlargement of 2004 increased the social and economic problems in the old member states with fears of competition on the workforce market from the new

members as well as dislocation of production and services to the CEECs on the background of an economic downturn in Europe and a higher level of unemployment.

The dream of creating a federation, a political unit is becoming more distant due to the enlargement and thus the weakening of the power of Germany and France in the decision-making process. On the other hand, the situation is tilting towards UK's desideratum of an association of nations having economic integration, but little political cohesion. For the reason mentioned above there is slight chance for big states such as Turkey and Ukraine to be further admitted in the EU.

Conclusion

The process through which the CEE countries have gone in order to be admitted in the EU was not easy and certainly not simple given the complexity of the political heritage and the economic reforms required for an alignment with the membership conditionality.

The EU's carrots and sticks strategies brought many changes at the CEE countries' national level and prepared them since very early times for being able to comply with the *acquis communautaire*.

Given the large number of candidate states the EU not only had to make choices but it also had to carefully deal with the countries that were to be left out by showing a continuous interest and promising them the accession at a later time.

Enlargement brought about many problems within the member states and the EU even suffered a major legitimacy crisis where the proposed constitution was rejected in France and Holland, and the member states sought to appease critical domestic publics. Therefore further enlargement is very little probable except for a few small states that would not have a very strong impact on the situation of the existing members.

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