NOTES

1. When France was about to surrender to Germany in 1940, Monnet tried to persuade Churchill that Britain and France should form an "indissoluble union." See Desmond Dinan, *Ever Closer Union*, 2d ed. (Boulder, Colo.: Lynne Rienner Publishers, 1999), p. 14.
2. Schuman's statement was cited by Foreign Minister Joschka Fischer in his May 12, 2000, speech at Humboldt University, Berlin. Excerpts from the speech appear as an appendix at the end of this book.
3. Christopher Preston, *Enlargement and Integration in the European Union* (London: Routledge, 1997), pp. 18–22, and 189–91.
4. Alfred Grosser, *The Western Alliance: European-American Relations Since 1945* (New York: Vantage, 1982), p. 121. Shortly before World War II, Churchill said Britain was "with Europe but not of it. We are interested and associated, but not absorbed." Cited in Arnold Zurcher, *The Struggle to Unite Europe, 1940–58* (New York: New York University Press, 1958), p. 6.
5. Charles de Gaulle, *Memoirs of Hope: Renewal and Endeavor* (New York: Simon & Schuster, 1971), pp. 219–20. Dinan, *Ever Closer Union*, pp. 37–56, summarizes de Gaulle's role in the European Community from 1958 to 1969.
6. Preston, *Enlargement and Integration*, p. 31–32.
7. The Commission's opinion on the Greek application appeared in the *Bulletin of the European Communities*, February 1976. The Commission's opinion of Portugal's application was contained in a May 1978 *Bulletin* supplement, and the Commission's opinion on Spain appeared in the September 1978 *Bulletin*.
8. European Commission, "The Challenge of Enlargement," *Bulletin of the European Communities*, January 1978 Supplement.
9. See Jacques Delors, address to the European Parliament, January 14, 1985, *Bulletin of the European Communities*, January 1985 Supplement; and Jacques Delors et al., *La France par l'Europe* (Paris: Bernard Grasset, 1988), pp. 50–51.
10. Desmond Dinan, "The Commission and Enlargement," in *The Expanding European Union*, ed. John Redmond and Glenda G. Rosenthal (Boulder, Colo.: Lynne Rienner, 1998), pp. 17–40.
11. John Reed, "Worried in Warsaw," *Financial Times* (January 10, 2002).
12. In April 2002, Jean-Marie Le Pen, leader of France's right-wing National Front espoused a line similar to Haidar's in the French presidential election. Le Pen received enough votes in the first round of the election to go on to compete against Jacques Chirac in the second round.

CHAPTER 3

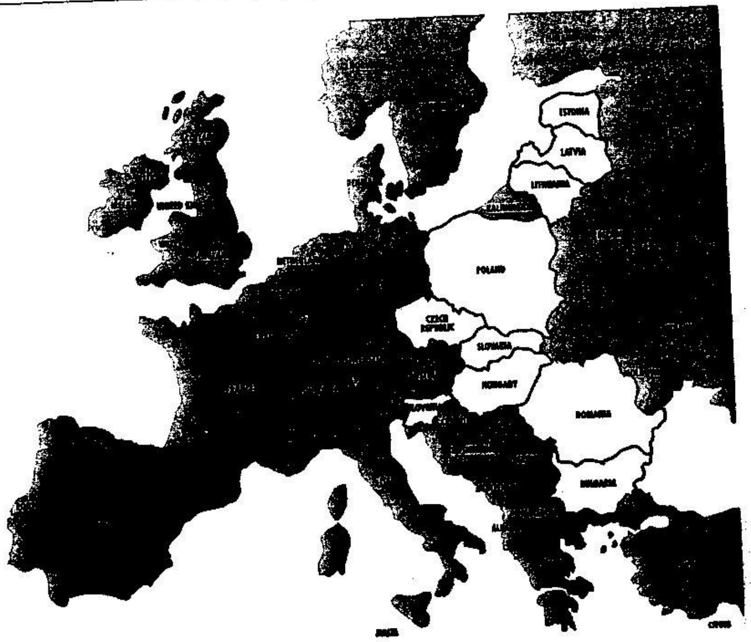
The Eastern Enlargement: Politics and Process

The collapse of communism in eastern Europe created a historic opportunity for Europeans to unite their continent and achieve a level of freedom, security, and prosperity that they had never known before, but unification did not happen automatically. It was necessary to overcome major political and economic obstacles in both halves of Europe. Unless the leaders of western and eastern Europe were willing to make the necessary effort, there was a danger that all of Europe might drift back into its fail-safe mode of national and ethnic rivalries, economic protectionism, and armed conflict.

The most difficult tasks were those facing the governments and people of central and eastern Europe, as they struggled throughout the 1990s to build democratic institutions and market economies. Some of these countries had sounder bases to build on than others, but by the end of the 1990s, all ten central and eastern European states were politically stable, growing economically, and beginning to meet EU standards in many key areas, including the protection of their citizens' basic rights.

The reforms that EU member states needed to make in preparation for enlargement were far from revolutionary. Although they had made no plans before the collapse of communism in 1989 to admit the eastern states, they soon found themselves under pressure to do so—from the central and eastern European states themselves, from a few leaders of northern EU member states, and from the U.S. government, which was in part responding to pressures from its own citizens of eastern European descent.

Figure 3.1
Twelve EU Candidates



This chapter begins by looking at the politics of the eastern enlargement and why EU leaders waited so long before giving the project their full support. The Commission partially filled this leadership vacuum and helped the candidates prepare for enlargement. Finally, we review the accession negotiations and the agreement reached at Copenhagen in December 2002.

THE POLITICS OF THE EASTERN ENLARGEMENT

The collapse of communism in central and eastern Europe in 1989 caught EU leaders off guard. They were aware of reform movements in Poland and Hungary, and they knew that Gorbachev, the Soviet leader, was loosening Moscow's grip over central and eastern Europe, but the leaders of the EU were focused on completing the single market and preparing for monetary union. They had no plans for adding any of the eastern countries, but the rapid unification of Germany more or less forced them to accept East Germany as part of the Community in 1990,

Farm Subsidies and Regional Aid

The addition in the 1980s of Spain, Portugal, and Greece had taught EU leaders that adding countries with weak political and economic systems was expensive and difficult. The Common Agricultural Policy (CAP) and regional aid were the crux of the problem. Together these two programs took up 80 percent of the EU's annual budget—and, unless the rules for distributing these funds were changed, the candidate countries would qualify for all the money that was currently available for farm subsidies and regional aid, leaving nothing for the member states.

On the face of it, this did not sound like an impossible problem to solve. The EU's annual budget was the equivalent of less than $100 billion, only a fortieth of the combined national budgets of the member states. However, the countries that were net contributors to the EU budget refused to contribute more and insisted on reforming the Common Agricultural Policy, which enriched the least needy EU farmers, raised food prices for EU consumers, distorted world markets, and harmed the efforts of poor countries to develop their agricultural sectors.

Naturally, the EU countries that were major recipients of CAP funds (France, Spain, Greece, Portugal, and Ireland) resisted reform with strong support from their farm lobbies. They were backed by many federalists in the EU who revered the CAP as the EU's first common program and did not want to see farm policy renationalized (i.e., returned to the control of the member states). At their Berlin summit in March 1999, EU leaders rejected Commission proposals for a major reform of the Common Agricultural Policy in preparation for enlargement. France led the resistance to change. President Chirac refused to consider any major reform of CAP until 2006, although he agreed that the subject could be "reviewed" after French and German elections in 2002.[1]

Lack of a Common Strategy

Although the EU member states were slow to develop a common strategy for admitting the eastern European states, individual member governments supported the candidacy of one or another of them. For example, Finland had close cultural and historical ties with Estonia, while Germany backed Poland partly out of remorse for the horrors inflicted on that country during World War II. Denmark adopted Lithuania, and Sweden supported Latvia. The British government, led by John Major, was more supportive of admitting the eastern states than most EU governments, but Major's Conservative Party was heavily Euroskeptic, which led many federalists to believe they favored enlargement mainly to block closer integration of the Union.

While few EU members openly opposed the idea of an eastern enlargement, some set a very high price on their support for it. Greece threatened to block enlargement unless Cyprus was admitted with the first east European candidates. Spain insisted that there must be no reduction in the amount of regional aid it received. And French leaders resisted any change in the Common Agricultural Policy. The French had little interest in enlargement because they feared it would enable Germany to greatly expand its influence in the EU. Belgian federalists were quite willing to delay enlargement as long as possible, because they saw it as competing with their cherished goal of monetary union. Delay became the easiest strategy for all to agree on, particularly when polls showed that most EU citizens did not consider the eastern enlargement a priority.[2]

German Unification

Ironically, the most divisive political issue concerning enlargement was settled quickly and with a minimum of controversy. As soon as Berliners tore down the hated wall, Chancellor Helmut Kohl stunned his EU partners by announcing plans to reunify Germany. President Mitterrand of France instinctively opposed the idea, as did other European leaders, but Commission President Delors was astute enough to see that the Germans could not take this bold step unless they gave their full support to European integration. Otherwise, they would unite their EU partners against them.

When Chancellor Kohl's Christian Democratic Party won the first free election in East Germany, President Mitterrand bowed to the inevitable and joined Kohl in calling for the eastern *landers'* admission to the EU. By doing so, he gained Kohl's gratitude and a close bond was formed between them.[3] East Germany bypassed all the usual procedures and entered the EU when Germany's unification took place in October 1990. Figure 3.2 summarizes the main events leading to the eastern enlargement.

Consequences of East Germany's Entry into the EU

Bringing East Germany's infrastructure up to western standards would cost the West German taxpayers a fortune, and this would make the federal government much less willing to bear the disproportionate share of EU expenses it had in the past. The EU contributed the equivalent of several billion dollars, mostly in the form of subsidies for East German farmers, and this shocked EU leaders into backing the first major reform of the Common Agricultural Policy.

Although German leaders have consistently supported the eastern enlargement, many of the country's citizens, particularly in the eastern *lander*, have opposed it because they feared a large influx of workers from the east competing for their jobs. Thus, Chancellor Schroeder was compelled to insist on a seven-year transition period (after the enlargement takes place) before workers from eastern Europe could seek employment in Germany.

Figure 3.2
Chronology of the Eastern Enlargement

1988	Soviet leader Gorbachev repudiates Brezhnev Doctrine, which justified military intervention in eastern Europe.
1989	Collapse of communist regimes in central and eastern Europe. European Community (EC) launches PHARE aid program.
1990	German reunification brings eastern *lander* into EC.
1991	Europe agreements with Poland, Hungary, and Czechoslovakia.
1994	Hungary and Poland apply for European Union (EU) membership. EU summit approves pre-accession strategy for central and eastern European states.
1995	Pact on Stability in Europe signed in Paris.
	Commission issues its Single Market White Paper.
1996	Ten eastern European states have applied for EU membership.
1997	Commission issues opinions on eastern applicants; proposes "Agenda 2000," including budget for enlargement.
1998	EU begins accession negotiations with Poland, Hungary, the Czech Republic, Estonia, Slovenia, and Cyprus.
1999	Berlin summit adopts "Agenda 2000" and 2000–2006 budget.
2000	EU begins negotiations with Latvia, Lithuania, Slovakia, Romania, Bulgaria, and Malta.
2000	EU leaders adopt institutional reforms in Treaty of Nice, but Irish voters reject treaty in 2001 referendum.
2002	French and German elections clear the way for agreement on common EU positions on agriculture and regional aid.
2002	Ireland ratifies Treaty of Nice in second referendum.
2002	Copenhagen summit achieves final enlargement agreement.
2003	Accession treaty to be ratified by all parties.
2004	New members join EU in time for EU Parliament elections.

French Opposition to Enlargement

In France, support for the eastern enlargement was lower than in any other EU country. (In a fall 2001 poll by the *Eurobarometer* organization, France was the only country in which opponents of enlargement outnumbered supporters.) The far-Right National Front Party exploited French fears that a large influx of foreigners would add to the problems of crime and unemployment. As noted earlier, French support for the eastern enlargement was also weakened by the fact that it would expand Germany's influence in the EU and reduce French influence.

European Stability Pact

In 1993, French Premier Edouard Balladur set out to prove that France could play a constructive role in the enlargement process by proposing that the eastern European states normalize relations with all of their neighbors. As table 3.1 shows, most of the candidate countries had large ethnic minorities. Wars and border changes throughout the twentieth century had left millions of eastern Europeans stranded in countries that did not necessarily want them, and the EU was concerned that this could lead to ethnic conflicts.

The prospect of EU membership proved to be a strong incentive to eastern European governments to resolve outstanding differences with their neighbors. After a year of intensive negotiations, the European Stability Pact was signed in Paris in 1995. Attached to the main document were ninety-two separate agreements resolving differences between pairs of eastern European states and between them and other neighbors. Besides making a major contribution to the enlargement process, Prime Minister Balladur's initiative was one of the first substantial achievements of the EU's Common Foreign and Security Policy.

THE COMMISSION TAKES THE LEAD ON EASTERN ENLARGEMENT

In 1989, the Commission accepted responsibility for coordinating aid to eastern Europe from all of the western industrial nations, and the EU created the PHARE program. (PHARE is the French acronym for aid to Poland and Hungary, and it also means "lighthouse" in French.) This program was initially focused on Poland and Hungary, but it was later extended to all the central and eastern European states. Funding began at $500 million per year, but it was soon doubled.

Europe Agreements

The EU also began signing what were called "Europe agreements" with the east European countries, starting with Poland, Hungary, and Czechoslovakia in 1991. Eventually, similar agreements were signed with ten eastern European countries. These documents were not very different from the association agreements the EU had signed with western European countries in the past. Although they were clearly a step

Table 3.1
Ethnic Composition of the Countries of Central and Eastern Europe

Bulgaria	Bulgarian 85%	Turkish 9%	Other 6%	
Czech	Czech 94%	Slovakian 3%	Other 3%	
Estonia	Estonian 65%	Russian 28%	Ukrainian 3%	Other 3%
Hungary	Hungarian 90%	Roma 4%	German 3%	Other 3%
Latvia	Latvian 57%	Russian 30%	Belarusian 4%	Other 9%
Lithuania	Lithuanian 81%	Russian 8%	Polish 7%	Other 4%
Poland	Polish 98%	German 1%	Other 1%	
Romania	Romanian 89%	Hungarian 9%	Other 2%	
Slovakia	Slovakian 86%	Hungarian 11%	Roma 1%	Other 2%
Slovenia	Slovene 91%	Croatian 3%	Serbian 2%	Other 4%

Source: The Economist, Pocket Europe in Figures, 4th ed. (London: Profile Books, Ltd., 2000), 38–39.

toward closer relations with the eastern states, the Europe agreements did not commit the EU to accepting these countries as members of the Union.[4]

The agreements also imposed limits on eastern European exports to the EU of coal, steel, textiles, and farm products. Since they had a comparative advantage in precisely these products, the Europe agreements would have been more valuable to the eastern countries' economic growth without these restrictions. The Commission was aware of this, and in a 1992 paper, it advised the member states that their eastern neighbors had needs that went beyond the Europe agreements. They wanted to be treated as "equal partners in the dialogue concerning Europe's future."[5]

Copenhagen Criteria

In April 1993, the leaders of the four countries known as the Visegrad group (Poland, Hungary, the Czech Republic, and Slovakia) bluntly informed the EU that they were frustrated by the limitations of the Europe agreements and wanted to join the Union as full members. At their June 1993 summit in Copenhagen, the leaders of the member states indicated that the eastern European countries could become members of the Union if they met the following criteria:

> 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 pressures 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.[6]

EU leaders also called for a broad dialogue with the eastern countries on all issues of common interest and promised to speed up the removal of EU barriers. The Commission suggested that the dialogue should include such matters as integrating the eastern Europeans into the single market and dealing with organized crime, drugs, and security issues. At their December 1994 summit, EU leaders adopted this plan and asked the Commission to negotiate Europe agreements with Estonia, Latvia, Lithuania, and Slovenia. The heads of EU governments also agreed that EU institutions would need to be reformed before enlargement could take place.

Single Market White Paper

The most urgent task facing the candidates was adopting the huge body of regulations governing the EU's single market in goods, labor, services, and capital. To help them get started, the Commission drew up a voluminous white paper listing all the measures that had to be adopted and indicating the most logical order in which to tackle them. Adopting all the single market regulations made the eastern enlargement far more difficult than previous ones. When Greece, Spain, and Portugal joined in the 1980s, the common market was far from complete. And when the EFTA countries joined in the 1990s, they had already adopted more than half of the regulations when they entered the European Economic Area.

In addition to the white paper, the Commission gave the candidates considerable financial and technical assistance, but it did not tell them when they could expect to join the Union or even when they would be allowed to begin accession negotiations. EU officials maintained that giving them a timetable would remove the incentive to reform their economic and political systems. Eastern European leaders complained that this lack of a firm commitment on the EU's part made it hard to mobilize support in their countries for the difficult reforms the Union required.[7]

Commission Opinions on the Candidates

In July 1997, the Commission issued separate opinions on the applications of each of the ten candidates. However, instead of evaluating their current qualifications, the Commission tried to judge whether they would be advanced enough to join in 2002, which was thought to be the earliest any of them would be ready. This was a departure from the Commission's previous practice of judging applicants' current qualifications, but it probably allowed the candidates to begin negotiations sooner than if they had to wait until they met all of the criteria.

The Commission opinions recommended beginning accession negotiations with Poland, Hungary, the Czech Republic, Estonia, Slovenia, and Cyprus, which was a major step forward for those countries. The Commission also recommended beginning negotiations with Slovakia, Latvia, Lithuania, Romania, Bulgaria, and Malta, "as soon as they have made sufficient progress" in meeting the Copenhagen criteria for membership.

The Commission opinions said that none of these countries had fully established the rule of law or provided adequate protection of human rights, including those of minorities. Slovakia received by far the most negative opinion, because Prime Minister Vladimir Meciar had repeatedly abused democratic principles in his treatment of political opponents, including the president of Slovakia.[8]

The Commission found that six of the candidates—Poland, Hungary, the Czech Republic, Slovenia, Estonia, and Slovakia—qualified as market economies or came close to doing so. Poland and Hungary were judged likely to be able to withstand competitive pressures in the EU by 2002. The Czech Republic, Slovakia, and Slovenia were considered likely to meet this test if they increased their reform efforts, and Estonia was regarded as close to meeting this standard.

Agenda 2000 and Budget Perspective

Along with its opinions on the candidates, the Commission produced a report called "Agenda 2000," which claimed that it would not be necessary to raise the current level of budget contributions from member states in order to pay for the enlargement. For the period from 2000 to 2006, the Commission projected total EU expenditures of 684 billion euros, of which 21.84 billion euros would be provided to the candidate countries as pre-accession aid. The Commission obviously hoped to build support for the enlargement in the member states by avoiding an increase in their budget contributions during this period. (The euro-dollar exchange rate fluctuates, but it tended toward parity in the first four years after the euro was launched in 1999.)

However, the "Agenda 2000" report also recommended substantial reforms in the Common Agricultural Policy and regional aid programs. Unless the rules for allocating these funds were drastically revised, the candidates would qualify for most of the money budgeted for these programs after they joined the Union.

At their Berlin summit in 1999, EU leaders cut the projected expenditures to 640 billion euros but left the sum for aid to the candidate countries unchanged. Because of resistance to CAP reform from France and other major recipients of CAP funds, EU leaders adopted much less drastic reforms of the Common Agricultural Policy than the Commission proposed; however, they agreed to a mid-term review of the subject, which was to be held in the final months of 2002 after the French and German national elections.

Luxembourg Summit

Meanwhile, at their December 1997 Luxembourg summit, EU leaders accepted the Commission's recommendation to begin accession negotiations with Poland, Hungary, the Czech Republic, Estonia, Slovenia, and Cyprus. In spite of its divided status, Cyprus was included because Greece had threatened to block the enlargement if it was not. The six candidates that were chosen were all well qualified, but politics entered into their selection as well. For example, German leaders insisted that Poland must be in the first group because Germany needed to atone for the way it treated the Poles in World War II.

NATO and EU Enlargement

Since Poland, Hungary, and the Czech Republic had just been chosen to join NATO, EU leaders wanted to encourage the other candidates that might feel they were being shut out of both NATO and the EU. Estonia was chosen as the most advanced of the Baltic states, and Slovenia was recognized as the Balkan applicant that was most qualified to join the Union.[9] Both the EU and NATO insisted that new members be committed to democracy and support for human rights, but the EU's requirement that candidates adopt and implement the entire body of EU laws was much harder than meeting NATO's military criteria.

NEGOTIATING THE ACCESSION TREATIES

On March 31, 1998, a ceremonial meeting of the foreign ministers of the eastern European countries with their EU counterparts launched the accession negotiations. As in previous enlargements, the candidates were not negotiating with the EU members as equals because the scope of the negotiations was limited to their acceptance of Union laws and policies.

An intergovernmental committee that included representatives of each member state conducted negotiations with each individual candidate. However, because of the complex technical nature of this enlargement, the Commission proposed common EU negotiating positions to the member states and also did much of the actual negotiating with the candidates. Another new feature was the EU's insistence on verifying that candidates had not only adopted EU laws but also had the bureaucratic machinery in place to implement them.

The Screening Process

Actual negotiations on a few of the least controversial issues began in November 1998, but the main activity for the first year consisted of screening each of the thirty chapters (or issue areas) that had to be covered. The chapters represented the main components of the body of EU laws and policies, known as the *acquis communautaire*. The screening process was carried out by senior representatives of the candidate countries and members of the Commission's Task Force for the Accession Negotiations.[10]

The purpose of the screening exercise was to determine how closely the laws of the candidate countries matched those of the EU, and to identify areas where the candidates might have to ask for a transition period before they could fully comply with the rules. On the basis of the screening process, the country holding the rotating EU presidency would decide (in consultation with the Commission) which chapters each of the candidates could open for negotiations. A chapter was considered closed when the EU agreed that the candidate country was in compliance with EU rules in that area, so the chapter could be opened and closed on the same day. Table 3.2 illustrates this process by showing the chapters that Hungary and Poland had opened and closed by May 2002.

Transition Periods

The Commission made it clear that it would not allow the candidates to opt out of complying with any part of the *acquis*. A candidate could request a transition period in which to bring its system into compliance with EU rules, but this would require negotiation, and the EU was unlikely to agree to a transition period of more than a few years. EU members could also request a transition period before certain rights or privileges (such as the free movement of labor) would apply to the candidates. In November 1998, the presidency country, Austria, opened seven chapters that had been screened and did not appear to offer major difficulties for either side. No transition periods were requested.

German Presidency

In January 1999, Germany took over the presidency and opened eight additional chapters that had been screened: company law, free movement of goods, consumer protection, fisheries, statistics, external economic relations, customs union, and competition (i.e., antitrust) policy. German lead-

Table 3.2
EU Accession Negotiations with Hungary and Poland (May 2002)

Chapter	Hungary Chapter Closed	Poland Chapter Close
Free movement of goods	March 01	March 01
Free movement of persons	June 01	December 01
Free movement of services	March 01	November 00
Free movement of capital	June 01	March 02
Company law	March 01	November 01
Competition	opened May 99	opened May 99
Agriculture	opened June 99	opened June 99
Fisheries	May 99	opened April 99
Transport	December 01	opened December 99
Taxation	June 01	March 02
Monetary union	December 99	December 99
Statistics	April 99	April 99
Social Policy	November 00	June 01
Energy	October 00	June 01
Industry	April 99	May 99
Small & medium enterprises	November 98	November 98
Science & research	November 98	November 98
Education & training	November 98	November 98
Telecommunications	April 99	May 99
Culture & audiovisual	opened November 98	December 00
Regional policy	opened April 00	opened April 00
Environment	June 01	October 01
Consumer & health protection	May 99	May 99
Justice & home affairs	November 01	opened May 00
Customs union	June 01	March 01
External relations	October 00	November 99
CFSP	April 00	April 00
Financial & budgetary provisions	opened May 00	opened May 00
Institutions	opened April 02	April 02
Chapters opened	30	30
Chapters closed	24	23

Note: Of the thirty chapters listed above, the next to last one (Financial and budgetary provisions) could only be closed at the end of the negotiations, when the EU offered its financial package to each of the candidates.

Source: European Commission

ers were eager to move the negotiations along. They said their goal was to close the first seven chapters by June, and they suggested that some of the second group of eight chapters could be closed almost immediately.

However, all six of the candidates asked to be allowed transition periods before implementing some of the chapters the Germans had opened.

For example, Poland and the Czech Republic wanted to maintain state aid schemes for their poorest regions, Hungary wanted to maintain special tariffs on so-called sensitive (highly competitive) products from non-EU countries, and Estonia sought a transition period for the chapter on fisheries. By October 2000, the Commission had recorded hundreds of requests for transitional arrangements.[11]

After the candidates presented their position papers, the Commission began drafting the EU's common positions on these chapters. In March 1999, Enlargement Commissioner Hans van den Broek announced that the EU would deal with the applicants individually, and that they each could close chapters whenever they were ready and join the Union without waiting for the others. The applicants welcomed this approach, but they were finding that many of the chapters were interrelated and could not be closed until related chapters had been dealt with. The applicants were also beginning to stake out their positions on some of the toughest issues that lay ahead. For example, Hungary and Poland asked to maintain restrictions on the sale of farmland to non-nationals during lengthy transition periods, but they were frustrated by the member states' slowness in developing common positions on the major issues.[12]

Distracted Member States

One reason for this slowness was that member states faced major distractions in 1999, and senior ministers found they had little time to focus on the enlargement process. The war in Kosovo during the first half of that year led to important decisions by EU leaders to develop their own security policy and defense capability. Soon after the euro was launched in January 1999, its value fell sharply in relation to the dollar, and EU leaders were concerned about the European Central Bank's management of monetary policy. Moreover, the forced resignation of the commission led by Jacques Santer made it necessary to appoint a new group of commissioners, who had to struggle to reestablish the Commission's credibility.[13]

New Negotiating Rules

The credibility problem may have been one reason that in late 1999 the EU adopted tough new ground rules for the negotiations. These rules were spelled out in the Commission's annual status report on the enlargement in October 1999, which said it would reopen all chapters that had been "provisionally" closed, and that recently adopted EU laws would have to be addressed in the negotiations. Most importantly, the Commission insisted that a stronger link must be established between the negotiations and the candidates' actual preparations for EU membership.[14]

In other words, the candidates would have to demonstrate that they not only accepted the EU's laws and policies, but also were able to implement them in practice. This was a much higher standard than Greece, Spain, and Portugal were held to in the 1980s, but the Commission report noted dryly that it would provide a "strong incentive for the candidates to intensify their preparations" for membership. The Commission added that the candidates must implement all laws related to the single market fully and promptly, and that transition periods allowed in this area would be "short and few."

The Strategy Works

The Commission insisted that these rules were designed to serve the candidates' interests as well as those of the EU. Each candidate would be encouraged to progress through the negotiations at its own speed, which would allow those that began negotiations in 2000 to catch up with the first group. Although the negotiations were conducted with candidates individually, there was a strong tendency for the EU to favor admitting groups of countries in the same region together. The three Baltic states formed one regional group, and the five central European states comprised another. Bulgarians tended to feel they were being held back by being linked with their neighbor Romania.

Slovakia, having replaced the Meciar regime with a reform-minded government, soon caught up with Poland, Hungary, and the Czech Republic. Latvia and Lithuania also raced to catch up with neighboring Estonia, while Romania and Bulgaria (the least advanced of the candidates) both began to make progress in their negotiations thanks to the more determined reform efforts of their newly elected governments.

In 2000, the outlook brightened when Gunter Verheugen, the newly appointed commissioner for enlargement said he hoped by the end of the year to announce a timetable for completing the negotiations and to give the most advanced candidates specific entry dates. By midsummer, Verheugen was saying he hoped that the four Visegrad countries could join as a group, partly because this would simplify the movement of the EU's eastern border. He also encouraged the Lithuanians and Latvians to hope they could join at the same time as Estonia. Verheugen told reporters he would judge his own success as a commissioner by the number of candidates that had joined the EU by the end of his five-year term.[15]

In his October 2000 status report on the enlargement, Verheugen was not authorized by the EU members to specify entry dates for individual candidates, but he did lay out a timetable for completing the negotiations by the end of 2002. If the accession treaty was ratified during 2003, the candidates could join the EU in time to take part in elections for the European Parliament in 2004.[16]

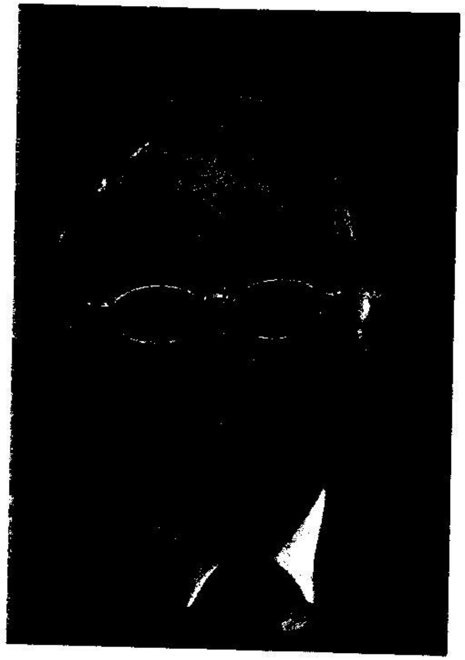


Figure 3.3 Enlargement Commissioner Gunter Verheugen said the new member states would implement EU laws even more completely than the older members. *Credit:* European Commission Audiovisual Library.

Treaty of Nice

This timetable received the blessing of the heads of state and government at their December 2000 summit in Nice. They also adopted some institutional reforms in preparation for enlargement, and these were embodied in the Treaty of Nice. Despite many inadequacies, the treaty was important because EU leaders had repeatedly stated that these institutional reforms must be in place before the enlargement could proceed; each member state had to ratify the treaty before it could go into effect. In May 2001, Irish voters rejected the treaty in a referendum, partly because treaty opponents claimed it would compromise Ireland's neutrality. However, a second referendum was held in October 2002, and Ireland became the last EU member to ratify the treaty, with 63 percent of the voters in favor.

Swedish Presidency

During the first half of 2001, the EU presidency was assumed by Sweden, where public and governmental support for the enlargement was very strong. Under the forceful leadership of Prime Minister Goran Persson and Foreign Minister Anna Lindh, the member states finally adopted common positions on some of the more difficult issues, including the free movement of people and the right of non-nationals to buy farmland in the candidate countries (which was covered in the chapter on "free movement of capital"). Sweden also emphasized environmental issues, and most of the candidates had closed this chapter by the end of the Swedish presidency. President Chirac of France and Chancellor Schroder of Germany issued a statement saying the eastern enlargement was "irreversible."

At last it seemed to be so. In his November 2001 report on the enlargement process, Commissioner Verheugen said that all of the countries that fulfilled the accession criteria (i.e., the Copenhagen criteria) should be able to complete their negotiations by the end of 2002 and join the EU in 2004. The Commission report described all the candidates except Romania and Bulgaria as meeting the criteria. Romania and Bulgaria were judged to have met the political criteria, and Bulgaria was considered close to meeting the economic standard, but Romania still had much work to do in that regard, and they both were judged likely to enter the Union by 2007.

Institutional Reform

Belgium's presidency in the second half of 2001 succeeded in launching a Convention on the Future of Europe, which could lead to an EU constitution within a few years. The institutional reforms being considered by the convention were much more ambitious than those covered by the Treaty of Nice. The candidate countries were active participants in the convention, and they will be full members of the Union when the next intergovernmental conference decides whether to adopt a constitution.

Common EU Positions Adopted

The French and German elections in 2002 cleared the way for EU heads of government, led by France and Germany, to adopt common negotiating positions on farm subsidies and structural (regional) aid at a special summit in October 2002. The terms that EU leaders decided to offer the applicants generally followed the recommendations of the Commission. Union leaders decided that when the candidates joined in 2004, they would receive 25 percent as much farm aid as the other fifteen members were receiving. The support payments would then increase in annual increments until 2013, at which time the new members would receive the same

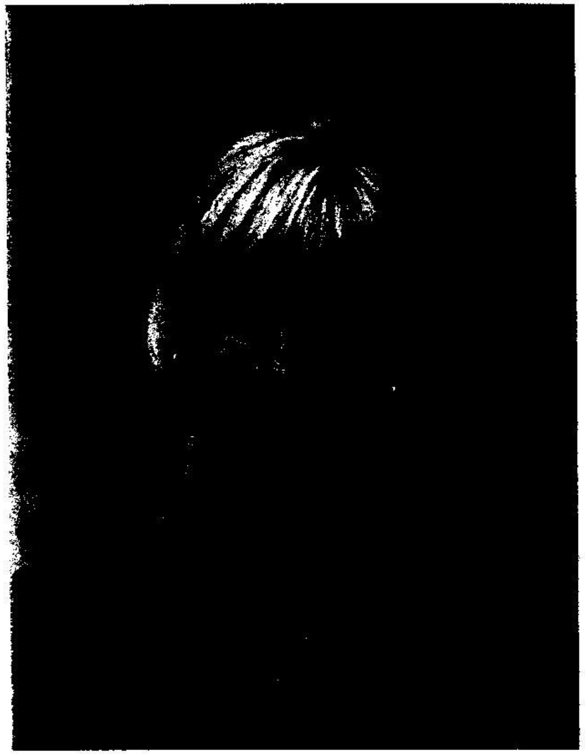


Figure 3.4 EU Environmental Commissioner Margot Wallstrom helped develop major environmental cleanup programs for the former communist states. *Credit:* European Commission Audiovisual Library.

amount of aid as the older member states. Spending on the Common Agricultural Policy would be capped at 2007 levels. Structural and cohesion funds in the amount of 23 billion euros (approximately 23 billion dollars) would be divided among the candidate countries.[17]

Romania and Bulgaria

The Commission and leaders of member states also reaffirmed support for the goal of admitting Romania and Bulgaria to the Union by 2007 and indicated that the two countries appeared to be generally on track to be ready to join by that date. Increased pre-accession aid was approved to advance the accession process with those two countries.

Turkey

At their October 2002 summit, EU leaders congratulated Turkey on the measures recently enacted to bring the country's support for human rights up to EU standards. However, both the Commission and the EU heads of state and government concluded that Turkey had not yet met the criteria for membership, so they did not set a date to begin accession negotiations. They also called on Turkey to help resolve the political division of Cyprus before the December 2002 EU summit in Copenhagen.

Enlargement Agreed at Copenhagen

At the December 2002 Council meeting in Copenhagen, entry terms were agreed by the leaders of EU member states and eight central and eastern European candidates, plus Cyprus and Malta. After intense last-minute negotiations, the EU provided about 400 million euros (approximately 400 million dollars) in additional aid to the candidates and allowed them to transfer some funds for regional aid that would not be disbursed quickly (if at all) to categories such as aid to farmers, where the impact would be felt much sooner. Negotiations continued up to the last possible moment between Poland (on behalf of itself and the other candidates) and Germany, the largest contributor to the EU budget. Danish Prime Minister Anders Fogh Rasmussen and Gunter Verheugen, the enlargement commissioner, played key roles in the final negotiations.[18]

The newly elected Turkish leaders were not given a precise date for the start of accession negotiations, but were told that if they were judged to have fulfilled the Copenhagen criteria for membership by December 2004, the negotiations would begin "without delay." Recep Tayyip Erdogan, who was in line to head the Turkish government, swallowed his disappointment and put the best face on this commitment by the EU, calling it a step forward. He agreed to end Turkey's opposition to the "Berlin Plus" agreement, which would allow the EU to use NATO assets for peacekeeping operations under its European Security and Defense Policy. The EU promptly made plans to take over the small NATO peacekeeping operation in Macedonia.

Cyprus

At Copenhagen, the Turkish Cypriot authorities failed to endorse the UN proposal to unite their divided island. They were given a new deadline of February 28, 2003, and the Turkish government in Ankara promised to press for an agreement, but the crisis over Iraq made it difficult for all of the interested parties to concentrate on the issue of Cyprus. Unless an agreement was reached between Greek and Turkish Cypriots, only that portion of the island that was under Greek Cypriot rule would enter the EU in 2004.

RATIFICATION OF THE ACCESSION TREATY

During 2003, the candidate countries would each have to ratify the accession treaty according to their constitutional provisions, which in some cases included a public referendum. The first referendums would be held in March in Malta and Slovenia. Hungary's would be held in April 2003, because Hungarians were believed to be the most enthusiastic supporters of EU membership. It was hoped that the outcome of this referendum would influence voters in Poland, Latvia, and Estonia, where support for Union membership was not as strong. Table 3.3 shows how prospective voters said they would vote in each of the candidate countries (although a referendum might not be held in some of the countries). The political and economic issues affecting public attitudes toward the EU in each of the candidate countries are examined more closely in the following chapters.

Ratification by EU Member States

The final hurdle in the accession process will be ratification of the treaties by the existing member states. This is normally done by the member states' parliaments, where mainstream political parties support enlargement and would be unlikely to reject the treaties. Many interest groups will have already obtained the concessions they sought before the treaties were signed, so it will be in their interest to support the treaties. In February 2003, President Chirac of France threatened to veto the enlargement because the candidate countries had publicly supported the U.S. position on Iraq.

In a poll of fifteen thousand EU citizens conducted in November 2002, two-thirds of the people polled said they were in favor of enlargement, and nearly three-quarters said they thought it was important for their country. Poland, the Czech Republic, and Turkey were most widely identified as candidates, but 40 percent of the people polled could not name a single candidate country. Eighty-four percent thought it would open up new markets for their countries and 80 percent said the EU would gain a stronger voice internationally, but 76 percent of the people polled thought enlargement would make the EU's decision making more difficult. Germans were particularly concerned that enlargement might lead to

Table 3.3
Support for EU Membership in Applicant Countries

	For Joining EU (%)	Against Joining EU (%)
Romania	97	3
Bulgaria	95	5
Hungary	87	13
Slovakia	72	14
Czech Republic	75	25
Slovenia	72	28
Lithuania	71	29
Poland	67	33
Latvia	59	41
Estonia	59	41

Note: Includes only respondents eighteen years old and over who said they would vote in a referendum on EU membership.

Source: European Commission *Eurobarometer Poll*, Autumn 2001.

increased unemployment and lower standards of social welfare in their country.[19]

Economic Growth Favors Integration

Europeans tend to favor closer integration during periods of strong economic growth. All of the candidate countries weathered the global economic slowdown in 2001 much better than most emerging market economies and better than their western EU neighbors. As the enlargement process drew to a close, foreign direct investment was on the rise in the countries of eastern Europe in anticipation of their becoming full EU members. In April 2002, the International Monetary Fund's *World Economic Outlook* predicted that most eastern European candidates would achieve higher economic growth in 2003 than in 2002, with the Baltic states averaging 5.3 percent, the central European candidates averaging 3.5 percent, and Bulgaria, Cyprus, Malta, and Romania averaging 5 percent. Unfortunately, the prospect of war in Iraq had already led to a slowdown in economic growth in most European countries by March 2003, and this could make the process of ratifying the accession treaties more uncertain.

Although the possibility of war in Iraq created some economic uncertainty, the generally favorable outlook in eastern Europe should help Germany achieve higher economic growth, and it should reduce the possibility of a no vote in one or more of the candidate countries' referendums on the accession treaty.

NOTES

1. President Chirac was a former French minister of agriculture, and farmers' unions formed an important part of his political base. After winning reelection in 2002, he and Chancellor Schroeder of Germany agreed that CAP subsidies should continue until 2013 but EU expenditures for agriculture should be frozen in 2006. The British and most other net contributors to the Union budget were furious at Schroeder for giving in to Chirac on this issue, but the Franco-German deal formed the basis of the EU's position.
2. A *Eurobarometer* poll carried out in early 1999 showed that 42 percent of EU citizens favored enlargement, but only 27 percent considered it a priority for the Union. However, 90 percent of EU citizens regarded unemployment and European security as priority issues for the EU to address.
3. Lily Gardner Feldman, "The EC and German Unification," in Leon Hurwitz and Christian Lequesne, *The State of the European Community: Politics, Institutions, and Debates in the Transition Years* (Boulder, Colo.: Lynne Rienner, 1991), pp. 310–29.
4. Christopher Preston, *Enlargement and Integration in the European Union* (London: Routledge, 1997), pp. 198–202.
5. European Commission, "The Challenge of Enlargement," *Bulletin of the European Communities*, March 1992 Supplement, p. 18.
6. European Council, *Conclusions of the Presidency*, Copenhagen, June 1993.
7. Preston, *Enlargement and Integration*, p. 203.
8. Michael Baun, *A Wider Europe* (Lanham, Md.: Rowman & Littlefield, 2000), pp. 78–81.
9. Desmond Dinan, *Ever Closer Union*, 2d ed. (Boulder, Colo.: Lynne Rienner, 1999), pp. 193–94.
10. In the November 1999 reorganization of the Commission, a special directorate-general was created for the enlargement process, whose tasks included managing and coordinating the screening process, coordinating the preparation of EU draft common positions, and preparing draft legislation relating to the negotiations.
11. Cezary Banasinski, "The Negotiations Decision-Making Machinery," in *Poland's Way to the European Union*, ed. Wladyslaw Czaplinski (Warsaw: Scholar Publishing House, 2002), p. 85.
12. Baun, *A Wider Europe*, pp. 199–212, provides a detailed description of the negotiations from the beginning of 1998 to February 2000.
13. The episode is described by Dick Leonard in his *Guide to the European Union*, 7th ed. (London: The Economist/Profile Books, 2000), p. 62.
14. European Commission, *Regular Report from the Commission on Progress towards Accession of Each of the Candidate Countries: Composite Paper*, Brussels, October 13, 1999, pp. 1–4.
15. See "Balancing Act for Enlargement Broker," *Financial Times* (October 24, 2000): p. 6.