

Verheugen, Günter

Article — Digitized Version

The enlargement process after Nice: A qualitatively new stage

Intereconomics

Suggested Citation: Verheugen, Günter (2001) : The enlargement process after Nice: A qualitatively new stage, Intereconomics, ISSN 0020-5346, Springer, Heidelberg, Vol. 36, Iss. 1, pp. 3-7

This Version is available at:

<https://hdl.handle.net/10419/44408>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Perspectives of EU Enlargement after Nice

In preparation for the coming enlargement of the European Union, the Intergovernmental Conference in Nice had the task of making a number of improvements to the Union's institutional framework to enable it to continue to function effectively with a substantially increased number of member states. The following five contributions discuss the results of the Nice conference and other important issues relating to enlargement.

Günter Verheugen*

The Enlargement Process after Nice: a Qualitatively New Stage

At its meeting in Nice, in early December 2000, the European Council took two decisions that opened a qualitatively new stage in the ongoing enlargement process. Firstly, by concluding the inter-governmental conference on institutional reform, the European Council has honoured the commitment it had taken at Helsinki in December 1999, to ensure that the Union would be ready to welcome new Member States as of end 2002, as soon as they have fulfilled the accession criteria. Secondly, by endorsing the enlargement strategy put forward a few weeks earlier by the European Commission, the European Council has provided a clear mandate to move the accession process forward on that basis, and thus to significantly reinforce its momentum.

This article will look more closely at the decisions taken at Nice, and at their significance for the enlargement process. Before doing so, however, it will be useful not only to recall the overall context in which the ongoing enlargement is taking place and the challenges this process is posing for the European Union and the candidate countries concerned, but also to take stock of progress made so far.

A Historic Opportunity

Ever since its creation almost fifty years ago, the European Community, now the European Union, has been in expansion. The magnetism of the European

project - which has been instrumental in consolidating peace, stability, democracy and prosperity among its participants - has been such that over the past decades a succession of countries have decided to join it, enlarging the Union from its original six members to the present fifteen.

While the ongoing enlargement process is not a new experience for the Union, it is unprecedented by its scope and diversity, as well as by its political and historical dimension. Through the present enlargement process, our continent is moving from division to unity, from conflict to stability, and from economic inequality to increased prosperity for all.

It was therefore a truly historic decision when the European Council, at its meeting in Copenhagen in June 1993, declared that "the countries of Central and Eastern Europe that so desire shall become members of the European Union. Accession shall take place as soon as a country is able to assume the obligations of membership by satisfying the economic and political conditions."

Benefits of Enlargement Already Visible

Now, less than a decade later, the positive impact of enlargement is already visible, both politically and economically, and benefiting equally the present EU Member States and the prospective members. The goal of enlargement has led to political stability based on common European values, and has boosted economic reform in the candidate countries. Stable democracies have emerged in Central and Eastern

* Member of the European Commission responsible for Enlargement, Brussels, Belgium.

Europe, rooted in common European values – democracy, the rule of law, respect for human rights and the protection of minorities. The immediate effects are a dramatic improvement in the security situation in Europe, and the opening up of a huge potential for economic development.

The desire of the applicants to become EU members has provided an important incentive to “get their houses in order”. Enlargement has served as an easily understandable rationale for economic measures which have sometimes been extremely painful, but which would have been necessary even without EU membership. In several cases the extent of structural change in the economy is already producing rapid growth from new, healthy roots. This means an opportunity for the candidate countries to increase their living standards and improve their prospects in global competition.

Over the past year, the overall volume of foreign direct investment into the Central and Eastern European candidate countries has continued to increase, and the European Union has become by far the most important trading partner of the thirteen candidate countries. Between 1993 and 1999 the total value of trade has increased almost threefold, to € 210 billion. The advantages for the existing EU Member States are already tangible. They run considerable surpluses on their export trade with the candidate countries, and these translate into more jobs, more tax revenue and more money for social security systems. In 1999, the EU's trade surplus with the applicant countries amounted to € 25.8 billion.

An Unprecedented Challenge

The ongoing enlargement process is also an unprecedented challenge, both for the candidate countries and for the Union itself.

As indicated, in 1993, the Copenhagen European Council declared that accession would take place “as soon as a country is able to assume the obligations of membership by satisfying the economic and political conditions”. It defined these conditions to mean that a candidate country

- ☐ must be a stable democracy, respecting human rights and protecting minorities;
- ☐ must have a functioning market economy, able to cope with competitive pressures and market forces within the Union; and
- ☐ must be able to assume the obligations of membership.

Further specifying this latter criterion, in 1995 the Madrid European Council emphasised the importance, not only of incorporating the *acquis* – i.e. the Union's rules and legislation – into national legislation, but also of ensuring its effective application through appropriate administrative structures.

Fulfilling the Copenhagen and Madrid criteria is not an easy task for the candidate countries. Several of them have started their transition to a market economy and a democratic society hardly more than a decade ago. As to the adoption of the entire *acquis* as it has developed over several decades and the development of adequate administrative capacity to properly implement and enforce it, this is a formidable challenge by any standards.

Preparations to meet the accession criteria are under way in each of the candidate countries. On the whole, remarkable progress has been achieved on the political and economic criteria (with the notable exception of Turkey, which still does not meet the political criteria). The process of adopting the *acquis* is steadily moving forward, if not at the same pace in all countries. At this stage, the most difficult challenge for the candidate countries remains the strengthening of their administrative structures, a *conditio sine qua non* to ensure due implementation and enforcement of the *acquis*.

Clearly, enlargement can be successful only if the candidate countries are properly prepared. To help the candidate countries in this process, the Community is providing considerable pre-accession assistance, amounting to over €3 billion a year. This includes assistance for institution building, investment in transport and environment infrastructures, agricultural reform, and economic and social cohesion. The twinning of administrations and agencies occupies a central place in the pre-accession assistance. With EU support, the vast body of Member States' expertise is made available to the candidate countries, through the long-term secondment of civil servants and accompanying expert missions. From Germany alone, thirty-seven civil servants are currently on secondment for the transfer of technical and administrative know-how.

The ongoing enlargement process also poses numerous challenges for the EU itself, starting with the sheer number of applicants involved at the same time. A key challenge facing the EU is the need to ensure that the Union's *acquis* is not in any way “denatured” in the process. This is one of the Union's main concerns in the context of the accession negotiations.

The Negotiation Process

Enlargement requires the negotiation of an Accession Treaty with each candidate. The accession negotiations are conducted in inter-governmental conferences with each negotiating country separately, and cover the entire *acquis* (divided into 31 chapters). They are based on the principle that each candidate must adopt the entire set of existing rules and legislation: the *acquis* is not negotiable. In the negotiations, the candidate countries commit themselves to adopt, implement and enforce the *acquis* as required by accession. When the EU considers that the information provided by a candidate on a given chapter is fully satisfactory, and when there is convincing evidence that commitments taken are also actually implemented, negotiating chapters are provisionally closed. Actual negotiations are limited to those parts of the *acquis* of which candidates indicate that they would not be able to fully apply them as of accession, and for which they may request transitional arrangements. The Union, for its part, may also decide to request transitional arrangements, if required in the Union's interests.

At this stage, twelve countries are engaged in accession negotiations. Six of them (Cyprus, the Czech Republic, Estonia, Hungary, Poland and Slovenia) started negotiations in March 1998; six other countries (Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia) entered the negotiation process last year. With the thirteenth candidate, Turkey, negotiations have not yet been opened, given that Turkey so far does not fulfil the political accession criteria, a precondition for opening negotiations. The negotiations are conducted in a differentiated manner, with each country progressing according to its own merits. For those countries that joined the negotiations at a later stage, there is an opportunity to catch up, provided their level of preparedness permits doing so.

Over the past months, considerable progress has been made in the negotiations. All chapters have now

been opened with the countries that have been negotiating since 1998, and between thirteen and seventeen chapters have been provisionally closed, depending on the country. With the countries that joined the negotiations in 2000, between nine and seventeen chapters have been opened, and between six and twelve provisionally closed.

Nice: a Milestone in the Enlargement Process

At this stage in the enlargement process, when the candidate countries' preparations for accession are well under way, and negotiations are relatively well advanced, a signal was needed to show that the way ahead for enlargement is clear, and to demonstrate the Union's political will to move the accession process forward. Nice has provided this signal at the highest level.

The Treaty of Nice has cleared the remaining institutional obstacles for enlargement on the Union's side. Once its ratification by the parliaments of the fifteen Member States has been concluded – which is expected to take up to two years – the Union will be formally ready to welcome new member states in its midst, as soon as they have fulfilled the accession criteria.

But Nice has done more for enlargement than clearing the way institutionally. By endorsing the enlargement strategy put forward by the Commission in November 2000, the Nice European Council has also set out clear perspectives for the further conduct of the negotiations. This will allow moving the negotiations decisively forward, in accordance with an ambitious yet realistic timetable.

The central element in the Commission's strategy is a road map providing a clear sequence for tackling outstanding issues in the negotiations in the course of 2001 and early 2002. The road map is indicative and flexible, and fully takes into account the guiding principles of the negotiation process, i.e. merit, differentiation and catching-up. It allows individual candidate

Dear readers,

In recent years INTERECONOMICS has concentrated increasingly on issues concerning European economic policy. Beginning with this issue, this change in concept is reflected by a corresponding change in our subtitle. At the same time we have introduced a new section entitled "Forum", in which several authors will deal with a single subject of topical interest.

Our efforts to bring the point of view of economic science and research to bear on European economic policy issues are supported by an advisory board of renowned European economists, whom we should like to take this occasion to thank.

The editors

countries to move forward more quickly than the envisaged timing, when their preparedness so permits.

This road map is accompanied by a method of dealing with requests for transitional measures, distinguishing between acceptable, negotiable, and unacceptable cases. While transitional arrangements should be limited to a strict minimum, as in previous enlargements it will not be possible to avoid them completely. Basic principles are that any transitional measures must be limited in time and scope, must not involve amendments to the rules or policies of the Union as such, and must not disrupt the proper functioning of the Internal Market or lead to significant distortions of competition. Such measures can thus only concern the implementation of rules, not the rules themselves, and must be accompanied by detailed implementation plans, including plans for investments.

Finally, the enlargement strategy also includes a new approach for opening chapters with the countries that joined the negotiations in early 2000, allowing the considerable speeding up of this process.

The Nice European Council has endorsed this enlargement strategy, and has given a clear mandate to move forward on that basis. In concrete terms, this implies that the Union undertakes to present common positions on the various negotiating chapters and to deal with related requests for transitional arrangements in accordance with the proposed timetable for the period up to mid 2002. To the extent that this strategy is effectively pursued, and the candidate countries continue their preparations for membership, this means that negotiations could be concluded in 2002 with those candidates that fulfil the accession criteria.

Using the Reinforced Momentum Created by the Nice Conclusions

The Swedish Presidency has, in consultation with the Commission, established an ambitious work programme for the coming months, to use the momentum created by the Nice conclusions. This programme is to bring the negotiations to a qualitatively new level, tackling also highly sensitive issues. It consists of two key tasks. The first task is to continue negotiations on chapters that have already been opened, with a view to provisionally closing as many chapters as possible. In doing so, priority is given to the objectives set out in the agreed road map for the first semester of 2001. This implies addressing all outstanding issues,

including possible requests for transitional measures, on key internal market chapters such as free movement of goods, persons, and capital; as well as on such matters as social affairs and environment. In addition, it is envisaged to start discussions on some areas earmarked in the road map for subsequent semesters. The second task is to open as many chapters as possible with the countries that joined the negotiations in 2000, opening all remaining chapters with the best prepared among them. In practice, a total of 64 chapters are to be opened by mid-2001.

Success in meeting these objectives will depend on two main factors. Firstly, success will depend on the preparedness of EU Member States to translate the commitment taken at Nice into deeds. This means that Member States must determine, within the time-frame set by the road map, a common European Union position on the respective outstanding issues in the accession negotiations, including possible requests for transitional periods, even when issues at the heart of their national interests are concerned. Secondly, success will also depend on the candidate countries' ability to provide sufficient and substantial information in time, and on the Union's capacity to respond. The Commission is strongly committed to achieving this.

In the meantime, the candidate countries must continue their preparations for membership. The outcome of Nice, including the European Council's request that candidates "continue and speed up the necessary reforms to prepare themselves for accession, particularly as regards strengthening their administrative capacity, so as to be able to join the Union as soon as possible," will encourage them in their work. The Union, for its part, will continue to support the candidate countries through targeted assistance.

These efforts will enhance the positive impact of enlargement, by further consolidating the process of democratisation and economic and administrative reform. The dynamism with which the candidate countries are preparing for membership, combined with continued high economic growth, will also contribute to gradually reducing the considerable economic disparities which still exist, not only between the candidate countries and current EU Member States, but also regional disparities within the candidate countries themselves.

Turkey, which is not yet negotiating, will need to concentrate its attention on implementing the Accession Partnership, which sets out short and

medium-term priorities for meeting the accession criteria. Here as well, the Union will provide support. The National Programme for the Adoption of the *Acquis*, which Turkey will adopt in the months to come, is expected to provide a central tool in this regard.

As the first accessions draw closer, the dialogue with interested third countries will have to be strengthened, so as to reassure them that the impact of enlargement will be primarily positive, and to tackle problems where they arise. The envisaged discussions with Russia on the impact of enlargement for Kaliningrad are a concrete example.

In the meantime, the Union must prepare itself "mentally" for enlargement, by explaining the costs and benefits to its population. We have to set in motion a wide-ranging dialogue in our societies to make the risks and benefits clear, diffuse misconceptions where they exist, and let the people know that their concerns are being taken seriously. With this purpose, the Commission adopted an Enlargement Communication Strategy in May 2000, which is being

implemented on a decentralised basis in the Member States and the candidate countries, involving also national and regional authorities. As the first accessions draw closer, our work in informing the population must continue and be intensified, both in the current EU Member States and in the candidate countries. Enlargement can only succeed if it has democratic support.

The Nice conclusions have added momentum to the enlargement process, bringing it into a qualitatively new stage. Not only has the Nice European Council cleared the last institutional obstacles and provided a road map, it also has set a clear time window for the first accessions, expressing the hope that the first acceding countries will be able to take part in the next European Parliament elections. Very considerable and determined efforts are still required to bring the process to its conclusion. But the way ahead is now clear. The Commission is fully prepared for the work in prospect. As to myself, I am personally determined to see the enlargement project well towards completion within my current term of office.

Elmar Brok*

Post-Nice State of the Preparations for EU Enlargement

In 1993 the Copenhagen European Council made a historic promise that "the countries in Central and Eastern Europe that so desire shall become members of the Union. Accession will take place as soon as a country is able to assume the obligations of membership by satisfying the economic and political conditions". Since then a lot of efforts have been made both by the states wishing accession and by the Union to let this dream of one large European house come true. One important step on the way to achieving accession was to adapt the EU Treaty to a Union probably consisting of 27 members. To achieve this was the aim of the Intergovernmental Conference taking place from 7 to 10 December 2000 in Nice. But it must be stated that the enterprise got stuck in the attempt because the Member States short-sightedly paid regard only to their own interests while nearly losing from view their responsibility to the states

wishing to accede. Although I estimate the Nice Summit to be a catastrophe it is necessary to analyse carefully the present state of the enlargement process and the effects of the Nice Summit on it.

Despite the meagre results of the Nice Intergovernmental Conference the present Member States of the EU have clearly declared that they are willing for the accession of the first countries to take place in 2003. The European Council reaffirmed at Nice "the historic significance of the European Union enlargement process and the political priority which it attaches to the success of that process". Moreover the European Council set up a road map for the next 18 months which will ease the way for further negotiations, bearing in mind that those countries which are the best prepared will continue to be able to progress more quickly. This principle of differentiation is the basis of the strategy paper proposed by the Commission on 8 November 2000. In Göteborg, in June 2001, the European Council will assess the progress in implementing that accession strategy, in

* MEP, Chairman of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, Brussels, Belgium, and Strasbourg, France.