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THE EUROPEAN UNION ENLARGEMENT EASTWARD: A HISTORIC DEVELOPMENT

Alexander A. Jeglic†

History

The initial steps toward European integration started many years ago. On May 9, 1950, a plan was proposed to pool coal and steel production under one common authority within Europe.¹ The plan was formally announced by French Foreign Minister Robert Schuman and later became known as the “Schuman Declaration.”² This declaration set in place the first concrete foundation of a European federation made up of six countries.³ This union was named the European Coal and Steel Community (“ECSC”).⁴ The success of the ECSC led to the Treaty of Rome, establishing a six nation zone of commercial cooperation known as the European Economic Community (“EEC”).⁵ The EEC merged the six separate markets into one single market and abolished most trade quotas and duties.⁶ The Treaty of Rome also led to the adoption of the Common Agricultural Policy (“CAP”); the creation of the European Court of Justice and the European Parliamentary Assembly; and established the European Atomic Energy Community (“Euratom”).⁷

The European Single Act of 1987, in conjunction with the 1992 Treaty of

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Editor’s Note: There was failure among member states to agree upon the text of the EU constitution at the December 2003 Intergovernmental Conference in Brussels. For additional updates on the current status of the EU constitution refer to Futurum, the European Union’s official web site regarding the EU constitution *available at* http://europa.eu.int/futurum/analyse/contrib/acad/0006_c8_en.pdf.

¹ *A New Idea for Europe*, The Schuman Declaration 1950-2000 by Pascal Fontaine *available at* http://europa.eu.int/comm/publications/booklets/eu_documentation/04/txt_en.pdf (last visited Nov. 24, 2003).

² *The History of the European Union available at* http://europa.eu.int/abc/history/index_en.htm (last visited Nov. 24, 2003).

³ France, Belgium, West Germany, Luxembourg, Italy and the Netherlands.

⁴ *The History of the European Union available at* http://europa.eu.int/abc/history/index_en.htm (last visited Nov. 24, 2003).

⁵ *Id.*

⁶ *History of the European Union*, EU publications, Delegation of the European Commission.

⁷ Intergovernmental Conferences: An Overview *available at* <http://europa.eu.int/en/agenda/igc-home/general/overview.html> (last visited Nov. 24, 2003).

Maastricht, established the phase-in process for full economic and monetary union.⁸ The European Single Act also helped establish coordinated national economic policies; a centralized banking structure; and harmonized trade quotas and duties.⁹ The Treaty of Maastricht also established the “Three Pillars,”¹⁰ which at the time was seen as the blueprint of the future development of the European Union (“EU”).¹¹

In 1994, the EU and the seven member European Free Trade Association formed the European Economic Area, a single market of nineteen countries.¹² In 1997, the Amsterdam Treaty was signed to update and clarify the Maastricht Treaty and to start preparing the EU for enlargement.¹³ The Nice Treaty was created in 2000 with the aim of further overhauling EU institutions to facilitate enlargement.¹⁴ It offered few solutions to the existing problems facing EU enlargement.¹⁵ However, the summit in Nice did launch the “Future of Europe” debate, which strengthened the push for a unifying document to replace all of the treaties currently governing the EU.¹⁶

Current Enlargement

With the fall of several communist governments in Central and Eastern European Countries (“CEEC”) and the break-up of the Soviet Empire, came a new sense of opportunity. Communication and trade barriers that had previously existed between the CEEC and the EU were suddenly lifted.¹⁷ Closer relations between the CEEC and their Western European counterparts resulted in the

⁸ Eid, Troy, *The European Union: A Brief Introduction* (Colorado Lawyer May, 2002).

⁹ *Id.*

¹⁰ The Maastricht Treaty implemented a new EU structure comprised of Pillar One, which “sets out the institutional requirements for [the European Monetary Union]”; Pillar Two, which “established the Common Foreign and Security Policy”; and Pillar Three, which “created the Justice and Home Affairs Policy.” Available at <http://www.xanthi.ilsp.gr/kemeseu/ch1/treaties.htm>.

¹¹ *Introduction: From Paris via Rome to Maastricht & Amsterdam* available at http://europa.eu.int/eur-lex/en/about/abc/abc_02.html (last visited Nov. 24, 2003).

¹² *Short History of the European Union*, available at <http://www.antenna.nl/~wise/493-4/eu.html> (last visited Nov. 24, 2003).

¹³ Aspects of European Integration by Dr. Algis Junevicius & Neringa Cepaitiene available at <http://www.euroi.ktu.lt/PROMETHEUS/moduls/en/1b.doc> (last visited Nov. 24, 2003).

¹⁴ “Unity in diversity - What political shape should Europe take?”, Speech by Günter Verheugen Member of the European Commission with responsibility for enlargement, available at http://europa.eu.int/futurum/documents/offtext/doc161101_en.htm (last visited Nov. 24, 2003).

¹⁵ *Id.*

¹⁶ *The Debate on the Future of the European Union A Report on the Situation; Report for the President of the European Council*, December 2001, available at http://europa.eu.int/futurum/documents/contrib/cont011201_en.pdf (last visited Nov. 24, 2003).

¹⁷ Europeanization in Central Eastern European Democratic Transition: a multi-level explanation approach, available at http://www.essex.ac.uk/ecpr/standinggroups/yen/paper_archive/1st_yen_meet_papers/milanese2001.pdf (last visited Nov. 24, 2003).

negotiation of association agreements.¹⁸ These agreements formed bilateral relations between the CEEC and the EU and laid the foundation for the accession of the CEEC into the EU.¹⁹ Serious accession negotiations between the EU and ten accession candidates were concluded at the European Council in December 2002.²⁰ After many months of negotiation, a deal was finally struck and the EU invited Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia and Slovakia to join the existing members of the EU in May 2004.²¹

Convention on the Future of Europe

The structure of the EU has undergone fundamental changes to allow enlargement. Within the last few years the pace of change has greatly increased, led by former French President Valéry Giscard d'Estaing.²² Giscard d'Estaing was the Chairman of the Convention on the Future of Europe ("European Convention") along with the former Prime Minister of Belgium, Jean-Luc Dehaene, and the former Prime Minister of Italy, Giuliano Amato, who served as Vice-Chairmen.²³ Giscard d'Estaing's vision for the new EU included the unification of all prior treaties into one formal document whose name became a topic of heated debate among current EU member states.²⁴ Their tireless efforts culminated in the submission of a draft constitution on June 13, 2003 ("Draft Constitution").²⁵ The Draft Constitution was then given to the EU Council for consideration at the EU Summit in Thessaloniki, Greece on June 20, 2003.²⁶ However, today the EU Constitution is set to replace all previous treaties that had collectively formed the EU structure.²⁷ The precise effects of the EU

¹⁸ *Globalization: Trends, Challenges and Opportunities for Countries in Transition* by Mojmir Mrak for the United Nations Industrial Development Organization available at <http://www.unido.org/userfiles/PuffK/mrak.pdf> (last visited Nov. 24, 2003).

¹⁹ A chart containing each applicant country, the date it signed its Association Agreement, the date it went into force, the date each applicant officially applied for EU membership is available at <http://www.Europa.eu.int> (last visited Nov. 24, 2003).

²⁰ Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia (Bulgaria, Romania and Turkey were excluded from accession talks for May 1, 2004).

²¹ *A New Europe is Born*, available at http://www.dw-world.de/english/0,3367,1430_A_714277,00.html (last visited Nov. 24, 2003).

²² *EU Convention Battles Against Time*, EU Business June 5, 2003, available at <http://www.eubusiness.com/imported/2003/06/11164> (last visited Nov. 24, 2003).

²³ *Oral Report Presented to the European Council by V. Giscard d'Estaing* available at <http://european-convention.eu.int/docs/speeches/9604.pdf> (last visited Nov. 24, 2003).

²⁴ *Id.*

²⁵ *Draft Treaty establishing a Constitution for Europe*, available at http://europa.eu.int/futurum/constitution/index_en.htm (last visited Nov. 24, 2003).

²⁶ *Id.*

²⁷ *Summary of the Draft Constitutional Treaty for the European Union* available at http://www.forumoneurope.ie/pdf/forum_summary_draft_constitution.pdf (last visited Nov. 24, 2003).

Constitution and negotiation sticking points, such as migration and farm subsidies, must be closely examined to determine the possible success of the enlarged EU.

EU Constitution

The mandate given to Giscard d'Estaing and the rest of the European Convention was to simplify the European system of governance and to create new tools to meet the requirements of security, justice, and a common foreign policy.²⁸ The Draft Constitution has been created to stabilize the EU in the future by providing the sole legal basis for the EU, thus replacing and amending all prior treaties.²⁹ When the Draft Constitution was proposed for consideration, Giscard d'Estaing stated, "The result is not perfect but does surpass expectations."³⁰ The Draft Constitution will alter many current aspects of the EU. Some of the noteworthy changes are the creation of the President of the European Council and EU Minister for Foreign Affairs; reduction in the number of EU Commissioners; affirmation of a single legal identity for the EU; and the reaffirmation of the Charter of Fundamental Rights.³¹

The creation of the post of President of the European Council has been regarded as very controversial.³² This post would replace the current rotation system by member states.³³ The President of the Council will be elected by a qualified majority of the heads of EU states and governments.³⁴ The President's term will be two and one-half years with the possibility of renewal for one additional term.³⁵ The President would assume a leadership role in both internal and global affairs for the EU.³⁶ Further, the Draft Constitution creates an EU Minister of Foreign Affairs.³⁷ The Minister of Foreign Affairs will serve a dual

2003).

²⁸ *Id.*

²⁹ Alcoverro & Stenstrom, *Toward a Constitution for the EU* (ABA Int'l L. J. Vol. 32 No. 4, Fall 2003).

³⁰ *Id.*

³¹ *Summary of the Draft Constitutional Treaty for the European Union available at http://www.forumoneurope.ie/pdf/forum_summary_draft_constitution.pdf (last visited Nov. 24, 2003).*

³² "The European Convention: Real Problems, Real Solutions" speech by Mr. Brian Cowen T.D., Minister for Foreign Affairs for Ireland, April 3, 2003, available at http://europa.eu.int/futurum/documents/speech/sp030403_en.pdf (last visited Nov. 24, 2003).

³³ *Id.*

³⁴ Draft EU Constitution Article I-21, available at <http://european-convention.eu.int> (last visited Nov. 24, 2003).

³⁵ *Id.*

³⁶ *Summary of the Draft Constitutional Treaty for the European Union, available at http://www.forumoneurope.ie/pdf/forum_summary_draft_constitution.pdf (last visited Nov. 24, 2003).*

³⁷ Draft EU Constitution Article I-27, available at <http://european-convention.eu.int> (last visited

function. Within the EU, the Minister will chair meetings of the Foreign Affairs Council and supervise the execution of Council decisions. In foreign external relations, the Minister will be a member of the Commission and represent the views of the EU globally.³⁸

The Draft Constitution also reduces the number of EU Commissioners from the current number of twenty to fifteen by the year 2009.³⁹ This will prevent the Commission from growing as the number of countries in the EU increases, thus ensuring the Commission maintains a functional size.⁴⁰ The Commission's decisions are always taken by consensus and under collective responsibility; and it has been proposed that achieving consensus among twenty-five members would be too difficult a task to undertake, thus making a fifteen member limit appropriate.⁴¹

The Draft Constitution granted legal personality upon the EU.⁴² Up until this point, the three European Communities (EEC, ECSC, and Euratom) shared one legal identity, while the EU had none.⁴³ The Draft Constitution also reconfirmed the Charter of Fundamental Rights that was included in the Treaty of Nice.⁴⁴ Fundamental rights will again be legally enforceable under the purview of the EU.⁴⁵

The Draft Constitution resolves several of the concerns expressed by current and accession states. Other concerns that have been addressed in recent years outside of the Draft Constitution are the free movement of people and agricultural subsidies.⁴⁶

Free Movement of People

Migration concerns within the EU have been based on both economical and structural principles.⁴⁷ Germany and Austria in particular have concerns

Nov. 24, 2003).

³⁸ Alcoverro & Stenstrom, *supra* note 29.

³⁹ Draft EU Constitution Article I-25 available at <http://european-convention.eu.int> (last visited Nov. 24, 2003).

⁴⁰ *Id.*

⁴¹ *Information on The European Commission*, available at http://europa.eu.int/institutions/comm/index_en.htm (last visited Nov. 24, 2003).

⁴² Draft EU Constitution, available at <http://european-convention.eu.int> (last visited Nov. 24, 2003).

⁴³ *Id.*

⁴⁴ Draft EU Constitution Part II, available at <http://european-convention.eu.int> (last visited Nov. 24, 2003).

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ Matloob Piracha & Roger Vickerman, *Immigration, Labor Mobility & EU Enlargement* (Dept. of Economics, U. of Kent, UK, 2001).

regarding migration due to their proximity to poorer Eastern European countries. Eastern countries are concerned that a large outflow of highly skilled and able workers will diminish the growth potential of their economies.⁴⁸ Conversely, Western European countries fear an influx of migrants taking low skill jobs.⁴⁹ According to many economic experts, Austria and Germany and their Eastern neighbors need not worry because enlargement will allegedly constitute a “win-win” situation for both.⁵⁰ For instance, in Austria, economists have predicted that enlargement will create a substantial rise in gross domestic product over the next six years.⁵¹ However, many studies conducted on the topic of migration have come to varying conclusions.⁵² The range of results demonstrates the uncertainty as to the exact effect migration will have post-enlargement. Although the estimated number of prospective migrants varies from 40,000 to 680,000 in various studies, the studies have all concluded that the major share of migration will be to Austria and Germany.⁵³

Predictions also appear more precise regarding the structure of migration.⁵⁴ Migrants from CEEC are usually highly educated and obtain positions in high-ranking professions, rather than as unskilled workers.⁵⁵ Contrary to the concerns of many Western European countries, migration can have very positive effects by filling a void in a particular industry that lacks sufficient numbers of workers to fill demand.⁵⁶ This would have the effect of widening the base of the economy, which could lead to increased growth and welfare.

Fear of migration should not cause the EU to waste an excellent opportunity to address future labor supply problems. It would be a shame if the EU delays the economic growth of its new members by heavily restricting the free movement of labor. While there is no doubt that the incoming member states’ gross domestic product outputs are not equivalent to those of current EU

⁴⁸ Parliamentary Assembly Report on Common policy on migration and asylum, *available at* <http://assembly.coe.int/Documents/WorkingDocs/doc03/EDOC9889.htm> (last visited Nov. 24, 2003).

⁴⁹ Olivier Blanchard, *The EU Enlargement & Immigration from Eastern Europe*, 5 (Oct. 2001).

⁵⁰ *Business Hungary: And the Winner is Austria* *available at* http://www.amcham.hu/BusinessHungary/16-01/articles/16-01_12.asp (last visited Nov. 24, 2003).

⁵¹ *Id.*

⁵² Heinz Fassmann & Rainer Munz, *EU Enlargement & Future East-West Migration in Europe*, *available at* <http://www.demographie.de/info/epub/pdfdateien/EU%20Enlargement%20and%20Future%20East-West%20Migration.pdf> (last visited Nov. 24, 2003).

⁵³ *Business Hungary: And the Winner is Austria* *available at* http://www.amcham.hu/BusinessHungary/16-01/articles/16-01_12.asp (last visited Nov. 24, 2003).

⁵⁴ Filip Abraham and Jozef Konings, *Does the Opening of Central and Eastern Europe Threaten Employment in the West*, *available at* <http://www.econ.kuleuven.ac.be/licos/Joep/WEKoningsAbraham.pdf> (last visited Nov. 24, 2003).

⁵⁵ *Id.*

⁵⁶ *Political Economy of Migration in an Integrating Europe*, *available at* <http://pemint.ces.uc.pt/Working%20Paper-6.pdf> (last visited Nov. 24, 2003).

members, factors exist that will preclude the massive migration.⁵⁷ Cultural differences and strong national pride will likely prevent many potential migrants from actually making a move.⁵⁸ Additionally, as the economies of the new member countries slowly improve, migration will become less appealing to the citizens of these countries, thus diminishing the concerns that currently trouble Germany and Austria.

Agricultural Subsidies in the Enlargement Process

Agriculture also plays an important role in the EU enlargement process because of the political and economic factors that have shaped CAP.⁵⁹ CAP was designed to create a single market in farm products through common prices and free movement of agricultural goods within the EU; preference for agricultural goods of community members by other community members; and the sharing of farming costs.⁶⁰ However, CAP is often criticized because it uses EU funds to effect its agricultural goals by subsidizing farmers. Often these subsidies make crops too expensive for international purchasers.⁶¹ CAP then provides a second subsidy to aid in the export of these products to purchasers abroad.⁶² This system creates a double subsidy, thus artificially inflating food prices—not only in the EU—but also worldwide, without addressing the true concerns of EU farmers.⁶³

CAP has also unintentionally changed the structure of farms due to the methods used to distribute funds. Many farmers have found it advantageous to merge to form superfarms because it facilitates the receipt of CAP funds.⁶⁵ The EU has said on several occasions that CAP was never intended to promote the evolution of the superfarm.⁶⁶ Nonetheless, the majority of CAP funds have been

⁵⁷ *Id.*

⁵⁸ *Migration, No Thank You*, Euroviews International News Magazine, available at [http://manila.djh.dk/poland/stories/storyReader\\$16](http://manila.djh.dk/poland/stories/storyReader$16) (last visited Nov. 14, 2003).

⁵⁹ Brian Ardy, *EU Enlargement and Agriculture: Prospects and Problems* (South Bank European Papers 2000).

⁶⁰ EU Agriculture, available at http://www.europa.eu.int/comm/agriculture/capreform/index_en.htm (last visited Nov. 14, 2003).

⁶¹ *Enlargement and reform of the EU Common agricultural policy: impacts on the Western Hemisphere Countries* Interim report by Inter-American Development Bank, available at <http://www.sice.oas.org/geograph/mktacc/Bureau.pdf> (last visited Nov. 24, 2003).

⁶² *Id.*

⁶³ *Id.*

⁶⁴ Agriculture Outlook 2001, EU Enlargement: Negotiations give rise to New Issues (Feb. 2001).

⁶⁵ The European Union's Common Agricultural Policy: Pressures for Change: An Overview, available at <http://www.ers.usda.gov/publications/Wrs992/Overview.pdf> (last visited Nov. 24, 2003).

⁶⁶ *Id.*

directed to superfarms.⁶⁷ Smaller farms are thus being forced to merge with one another or cease to exist in an attempt to benefit from CAP distribution methods.⁶⁸

Poland's entry into the EU may cause major agricultural concerns, especially with regard to livestock, for small and mid-sized farms because of competition from Western European member states.⁶⁹ Over nineteen percent of Poland's working population is employed in the agricultural industry, and labor productivity is only ten percent that of the EU.⁷⁰ Apart from a few large former state farms, ninety percent of production is in small holdings.⁷¹

Another concern with agricultural subsidies is that they are redistributed inconsistently with the countries' net contributions to the EU budget as a whole.⁷² Germany is a strong supporter of CAP reform because it contributes the most money to the EU budget but receives less than its share of agricultural subsidies, while countries such as France contribute less to the EU budget but obtain significantly more of the agricultural subsidies.⁷³ EU agricultural ministers addressed this problem by adopting a fundamental CAP reform on June 26, 2003.⁷⁴ The reform will restructure the methods used by the EU to provide aid to the agricultural sector. The reforms will benefit the consumers and taxpayers, while allowing EU farmers the freedom to produce what the market wants.⁷⁵ Subsidies will no longer be based solely on productivity, thus lessening the need to form superfarms to obtain subsidies.⁷⁶ As a result of the CAP reforms, EU farmers will become more competitive and market oriented.⁷⁷ The two most important features of CAP reform are the making of a single farm

⁶⁷ Agricultural Implications of CEEC Accession to the EU, *available at* <http://wwwuser.gwdg.de/~uaao/projekt/mw/wye-wp05.pdf> (last visited Nov. 24, 2003).

⁶⁸ *Id.*

⁶⁹ *Future Agricultural Policy in the European Union by Florence Jacquet*, February 2003 *available at* <http://www.choicesmagazine.org/archives/2003/q1/2003-1-06.htm> (last visited Jan. 9, 2004).

⁷⁰ European Commission Statistics, *available at* <http://www.europa.eu.int> (last visited Nov. 24, 2003).

⁷¹ *Id.*

⁷² *Id.*

⁷³ Enlargement and Agriculture: Successfully Integrating the New Member States into the CAP: Issues Paper from the Commission of the European Communities, SEC (2002) 95 *available at* http://europa.eu.int/comm/enlargement/docs/financialpackage/sec2002-95_en.pdf (last visited Nov. 24, 2003).

⁷⁴ CAP Reform - A Long-Term Perspective for Sustainable Agriculture, EUROPA, *available at* http://europa.eu.int/comm/agriculture/capreform/index_en.htm (last visited Nov. 24, 2003).

⁷⁵ Commission of the European Communities Proposal to Adapt the Regulations of the CAP Reform Package, COM (2003) 640 final, *available at* http://europa.eu.int/comm/agriculture/capreform/enlarge/640_en.pdf (last visited Nov. 24, 2003).

⁷⁶ *Id.*

⁷⁷ *Id.*

payment, independent of production, and a reduction in direct payments to bigger farms in favor of financing the new rural development policy.⁷⁸ CAP reforms take into account the concerns of both current and incoming states to the relief of countries such as Germany and Poland.

Conclusion

The unification of twenty-five European nations is a daunting task. Under the guidance of Convention Chairman Giscard d'Estaing, the EU has overcome many obstacles to put itself in position to flourish as an enlarged EU. The simplification of the treaty structure and the strengthening of the democratic process will lead to greater certainty in EU governance. The current concerns of agricultural subsidies and migration have been addressed in recent years and should not dampen the economic and social prospects for an enlarged Europe. So long as there is continued cooperation among the current and incoming states, enlargement will be a success.

⁷⁸ *Id.*