

THE MEDITERRANEAN AND EASTERN ENLARGEMENT OF THE  
EUROPEAN UNION:

A COMPARATIVE STUDY ON THE EVOLVING EU ACQUIS  
COMMUNAUTAIRE

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## ABSTRACT

THE MEDITERRANEAN AND EASTERN ENLARGEMENT OF THE  
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The main focus of this thesis is analyzing the Mediterranean enlargement and the Eastern enlargement of the European Union by utilizing Frank Schimmelfennig's rhetorical entrapment theory. The admission of Greece to the Community in 1981 on political grounds which aimed to support the country's transition to democracy after the regime of the Colonels between 1967-1974 and the Community's own efforts in the same era to transform the integration project into a noble enterprise based on rights and values had significant effects on the enlargement process: following the Greek accession, democracy promotion developed into the fundamental reason for widening the Community's membership, making both the Iberian and Central and Eastern European accessions impossible to oppose for the member states.

Even though both the Mediterranean countries and the CEECs appealed to the Union's self-perception as a value-based community, who aimed to promote liberal democratic norms, to overcome their obvious shortcomings on economic and administrative terms in their membership applications, they were granted a very dissimilar deal when it came to the negotiation process. This divergence in practice can be explained by the evolution of the Community's *acquis communautaire*. Therefore, a two-dimensional question lies at the heart of this study: How were the

Mediterranean countries and the CEECs able to exploit the Community's emerging identity which surpassed its purely economic nature, and how has the evolution of the *acquis communautaire* from the mid-1980s until the accessions of the CEECs affected the enlargement policy of the European Union?

Keywords: European integration, EU enlargement, *acquis communautaire*, membership conditionality

## ÖZ

### AVRUPA BİRLİĞİ'NİN AKDENİZ VE DOĞU GENİŞLEMESİ: GELİŞEN AB MÜKTESEBATINA İLİŞKİN KARŞILAŞTIRMALI BİR ARAŞTIRMA

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Bu tezin odak noktası, Avrupa Birliği'nin Akdeniz ve Doğu genişlemelerini Frank Schimmelfennig'in “retorik sıkışma” teorisini kullanarak incelemektir. Yunanistan'ın 1981'de Avrupa Topluluğu'na, albayların 1967-1974 yılları arası rejimi sonrasında ülkenin demokrasiye geçişini desteklemeye yönelik siyasi nedenlerden ötürü girişi ve Topluluk'un bu dönemde entegrasyon projesini hak ve değerler üzerine kurulu asil bir kurum haline dönüştürme çabaları genişleme sürecinde önemli etkiler yaratmıştır: Yunanistan'ın katılımını takip eden dönemde, demokrasiyi teşvik etmek Avrupa Topluluğu'nun üyeliğini genişletmesi için temel neden haline gelmiş, bu durum da üye ülkelerin İber ve Orta ve Doğu Avrupa genişlemelerine karşı çıkmasını imkansız kılmıştır.

Üyelik başvurularında hem Akdeniz hem de Orta ve Doğu Avrupa ülkeleri, ekonomik ve idari yetersizliklerin üstesinden gelmek için Avrupa Birliği'nin liberal demokratik ilkeleri desteklemeyi amaçlayan değer tabanlı bir topluluk olduğu öz algısına dayandığı halde müzakerelerde çok farklı süreçlerden geçmişlerdir. Uygulamadaki bu ayrılık, Avrupa Topluluğu'nun müktesebatındaki gelişmeler ile açıklanabilir. Dolayısıyla bu çalışmanın temelinde iki boyutlu bir soru bulunmaktadır: Akdeniz ve Orta ve Doğu Avrupa ülkeleri, Avrupa Topluluğu'nun salt ekonomik niteliğini aşan kimliğinden nasıl faydalanmışlardır, ve Topluluk müktesebatının 1980 ortalarından

Orta ve Doęu Avrupa ¼lkelerinin ¼yelik kazanmalarına kadar olan gelişimi Avrupa Birlięi'nin genişleme politikasını nasıl etkilemiştir?

Anahtar Kelimeler: Avrupa entegrasyonu, AB genişlemesi, Topluluk m¼ktesebatı, ¼yelik şartlılıęı ilkesi

To my mother for her never-ending patience and support

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## LIST OF ABBREVIATIONS

AP	Accession Partnership
CAP	Common Agricultural Policy
CEECs	Central and Eastern European countries
CFSP	Common Foreign and Security Policy
COMECON	The Council for Mutual Economic Assistance
EAEC	European Atomic Energy Community
EAP	Environmental Action Plan
EC	European Community
ECB	European Central Bank
ECJ	European Court of Justice
ECSC	European Coal and Steel Community
ECU	European Currency Unit
EEC	European Economic Community
EFTA	European Free Trade Association
EMA	European Monetary Agreement
EMI	European Monetary Institute
EMS	European Monetary System
EP	European Parliament
EPC	European Political Cooperation
EPU	European Payments Union
ERM	Exchange Rate Mechanism
ESCB	European System of Central Banks
GDP	Gross Domestic Product
IGC	Intergovernmental conference
IMF	International Money Fund
JHA	Justice and Home Affairs
NATO	North Atlantic Treaty Organization
NTBs	Non-tariff barriers

OEEC	Organization for European Economic Cooperation
OJ	Official Journal of the European Union
ONP	Open network provision
OSCE	Organization for Security and Cooperation in Europe
PASOK	Pan Hellenic Socialist Movement
QMV	Qualified majority voting
SEA	Single European Act
SIS	Schengen Information System
SPD	Social Democratic Party of Germany
TAIEX	Technical Assistance Information Exchange Office
TEU	Treaty on European Union
UN	United Nations
UK	United Kingdom
US	United States
VAT	Value-added tax
WEU	Western European Union

## CHAPTER 1

### INTRODUCTION

The collapse of the Berlin Wall in 1989 and dissolution of the Soviet Union in 1991 provided the European Union (EU) with a historic opportunity of finally becoming an organization for all Europe as foreseen by the Treaty establishing the European Economic Community in 1957. The divide lines of the Cold War had made the integration of Central and Eastern European countries (CEECs)<sup>1</sup> under the Soviet rule to the emerging European Community both geographically and, more importantly, ideologically impossible. With that seemingly insurmountable barrier eliminated in the late 1980s and early 1990s, the European integration project was faced with another daunting, yet much more welcome, challenge of responding to the CEEC demands of 'returning to Europe' by becoming members of the EU.

Member states of the European Union accepted the principle of enlargement at the Copenhagen European Council of June 1993 but made it conditional on a series of previously not-codified criteria. Even though the political and economic dimensions of these criteria were not particularly new, the requirement to adopt and implement the Union *acquis communautaire*, which has been described as “the whole body of EU rules, political principles and judicial decisions which new member states must adhere to, in their entirety and from the beginning, when they become members of the Communities” (Gialdino, 1995: 1090), has proven to be an uncharted territory for the aspirant countries because of its unprecedented length and complexity as the *acquis* requires not only the adoption of the EU's established policies, dealing mostly with the functioning of the Union's single market, but also observing its long-term

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<sup>1</sup> The ten CEECs: Bulgaria, the Czech Republic (formerly a part of Czechoslovakia), Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia (formerly a part of Czechoslovakia), Slovenia and Romania.

objectives and values. The continuing development of the *acquis communautaire* reflects the European Union's own evolution from a community with a largely economic nature to a “stabilising and unitary *Rechtsgemeinschaft* or legal community ... shaped, structured and governed by a single (European) body of law” (Krenzler and Everson, 1998: 3). Therefore, maintaining *acquis'* integrity and securing its implementation throughout the EU are vital both for upholding its standards (hence sustaining the Union's effectiveness as an economic power) and for the development and credibility of the European Union and its integration process, which has come to take on a more and more political character through which previously divided continent of Europe can agree on voluntary and peaceful cooperation based on shared aims and values. In 1991, the prospect of a large-scale enlargement to states whose experiences in the last five decades had been vastly different to that of member states cast a long shadow over the EU's legal framework which signified its place in the international arena as an entity with its own democratic norms and regulatory systems guaranteeing security, prosperity and unity.

After the signing of the Single European Act in 1986, which established a single market without any internal frontiers, and the Maastricht Treaty, which not only aimed to converge the economic and monetary policies of the member states but also went beyond the original competence areas of the European integration project by establishing a common foreign and security policy and justice and home affairs pillars, joining the European Union as a member became increasingly more difficult. Along with the economically backward and politically still unstable situation of the Central and Eastern European countries, the requirement to transpose the *acquis* into the domestic law systems of the aspirant countries and to have the capacity to enforce it became even more important not only because of doubts over the ability of the CEECs to function as Union members but also due to concerns about the health and internal cohesion of the EU. The questions over how the Union could function effectively in the face of an applicant queue which was growing due to the end of the Cold War to encompass the neutral EFTA states (Austria, Finland, Norway and Sweden) as well as the CEECs, and how its achievements in deepening the

integration process could be protected led to a full-blown debate on widening versus deepening.

By definition, “deepening” refers to the effort the European integration project has put into furthering its capacity to function politically, financially and institutionally in an efficient and consistent manner and has three related aspects. Firstly, deepening consists of increasing the level and scope of EU competence, which is best evidenced by the transformation of the European Community as a primarily economic actor to a Union with its own environmental, visa and immigration, common foreign and security policies. Secondly, deepening automatically brings the problem of institutional reform to the agenda as broader scope in EU action requires strengthening of the Union's decision-making mechanisms to keep up with the integration process. The third aspect of deepening involves the legitimacy of the integration project which has direct and significant effects on individuals' lives on a daily basis. Therefore, the EU has to take the necessity to be democratic, accountable and transparent into account when furthering its policy reach (Blockmans and Prechal, 2007: 6-7).

The level of integration achieved by the European Union is one of the reasons it is attractive to the non-member states (even though accession has become more difficult to attain through the years) which immediately relates the deepening process to widening: enlargement of the EU to applicants who abide by its conditions for membership. Even though widening has been both an incentive and justification for deepening in the history of European integration (all four enlargement rounds completed before the CEEC membership were accompanied by substantive or institutional reform<sup>2</sup>) and new member states brought their national influences to the EU agenda like EFTA countries did with their emphasis on environment and openness in EU governance, the “almost causal link” between the two processes has mostly been understood as the strain widening puts on deepening by making the EU

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2 Denmark, the United Kingdom, Ireland accessions with the 1973 reforms of regional policy, common fisheries policy and increased powers for the European Parliament; Mediterranean enlargement with the Single European Act; EFTA enlargement with the Treaty on European Union.

more diverse and heterogeneous (Hillion, 2007: 158). Therefore, member states were no strangers to the widening versus deepening debate, which had been brought up to the Community's agenda as early as the first enlargement round resulting in the accessions of the United Kingdom, Ireland and Denmark.

What made this debate more pronounced and significant than ever before was the *acquis'* vastly expanded nature and the need to reform EU institutions and some of the policy areas to prepare the Union for the Eastern enlargement. The most difficult problems the EU faced were changes revolving around money (Common Agricultural Policy and structural funds benefits) and “the question of power sharing between large and small states in an enlarged EU” with extended use of the qualified majority voting system (Laurent and Maresceau, 1998: 3-10). This led to the problem of the *acquis* becoming a moving target for the applicants as they were expected to adopt it with all its changes to the structural and common agricultural policies, and reform of the justice and home affairs. In turn, the obligation to transpose and implement the *acquis communautaire* brought about new conditionality for the CEECs to meet, not for their accession but to simply continue their membership process.

From the first contact of the Central and Eastern European countries with the European Union in 1988, trade and then the financial aid and diplomatic relations (after the end of the Cold War) have been conditional on several criteria to “encourage political reform” in the CEECs (Smith, 1997: 10). Formal political and economic conditions for Union membership were set at the Copenhagen European Council of 1993, which were designed to both “minimize the risks” CEECs carried and break the member state reluctance against enlargement, and guide the aspirant states to membership (Grabbe, 2002a: 251). However, due to the broad concepts established at Copenhagen for meeting the requirements for accession (such as democracy, functioning market economy, ability to take on membership obligations), the Union launched a pre-accession process in 1994 at the Essen European Council, which shaped and interpreted these concepts and produced a series of fully-fledged

accession criteria. Therefore, the most striking feature of the Eastern enlargement was not the formal membership criteria established at the Copenhagen summit in 1993 but the pre-accession process of the CEECs, which was marked by detailed conditionality that had to be met for every different level to reach accession.

The goal of this thesis is, therefore, two-fold: firstly, it aims to demonstrate the evolution of the EU's *acquis communautaire* and pre-accession strategy as it relates to the Eastern enlargement. The *acquis* and pre-accession are considered together because the insistence of the member states to keep the EU's body of law<sup>3</sup> intact in the face of enlargement led to the limited nature of the negotiation process, which was achieved through the tough conditionality defined and elaborated on by the pre-accession strategy. Secondly, it aims to explain why the EU enlarged at all, considering the challenges it faced and the lack of political will among the member states for further widening, by putting the Mediterranean enlargement round experience of the EU into perspective.

The Europe Agreements, which made the CEE states associated countries of the EU, provided the legal framework of their relations with the Union but was conditional on specific political and economic criteria which aimed to transform the CEECs into democracies with market economies. The applicants were expected to satisfy the requirements of the Europe Agreements before moving on to the provisions of the White Paper on the single market. The most elaborated part of the pre-accession process was the Accession Partnerships which differed from the previous stages in that they did not contain one size fits all conditionality, but tailored accession criteria to be met by the CEECs individually and made financial assistance by the EU conditional on satisfying these criteria. The risk of stalled membership negotiations and loss of aid income formalized the conditionality set by the Union, at least in practice, even though only the Europe Agreements had legal basis and could be enforced in any court. Hence, “accession negotiations have been vitally transformed

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<sup>3</sup> which had evolved to include more policy areas than ever before, following the efforts started in the 1980s to enhance the European integration, by the time of membership applications from the CEECs.

from simple political bargaining into a rigidly structured and technical process” (Krenzler and Everson, 1998: 12), depoliticizing the negotiation process.

The depoliticization of the negotiation process was due to the scepticism member states felt towards the applicants who, as noted above, were still trying to shake off the effects of their authoritarian past which left them with archaic economic conditions, and bankrupt administrative and judicial systems. To avoid the endangerment of the integration process and its future, member states opted for a tougher conditionality on the CEECs than the previous applicants were subjected to and took a maximalist stance on the adoption of the *acquis*, which meant the CEECs were also required to comply with provisions that did not apply to member states (no opt-outs from the Schengen or economic and monetary union *acquis*).

As noted earlier, the tough conditionality and a unique pre-accession process the CEECs were subjected to, which stemmed from the reservations member states had about the applicants and their readiness for membership, brings the question of “why did the European Union enlarge at all?” to the fore. Most studies on EU enlargement have tried to explain this phenomenon by focusing on single cases/rounds, removing the context of how the decision to enlarge was taken from the historical progress of European integration. One of the aims of this thesis is to remedy that situation, as it prevents the establishment of concrete generalizations on enlargement, by comparing the accessions of the Central and Eastern European countries to the Mediterranean enlargement round, which included states of similar socio-economic underdevelopment and authoritarian past and applied for EU membership with the same objectives as the CEECs did: consolidation of democracy, and establishment of a stronger market economy. Thus, this comparison is based on the similar motivations of the applicants in aspiring to accede to the Union, their dissimilar paths to achieving their aim in terms of their pre-accession and negotiation processes, and the same positive answer they received from the EU with their eventual accessions.

Another recurring theme in the studies of EU enlargement has been the use of grand integration theories to explain why the Union enlarges, the most prevalent one being Andrew Moravcsik's liberal intergovernmentalism which proposes an analysis of European integration resting on two basic assumptions. Firstly, the European Union “is best seen as an international regime for policy co-ordination” (Moravcsik, 1993: 480) which states utilize as a means to “reducing the transaction costs of ... negotiations on specific issues and by providing the necessary information to reduce the states' uncertainty about each other's future preferences and behaviour” (Moravcsik and Schimmelfennig, 2009: 72). Hence, states are not constrained by the EU and control it to enhance their decision-making capacities. Secondly, states are considered rational actors who make their decisions as a result of a cost-benefit analysis of economic and geopolitical considerations. Therefore, collective decisions are explained as the outcomes of composite individual actions based on the said analysis of state choices. Moravcsik puts the European integration in the context of these suppositions and conclude that deepening of the integration process “can best be understood as a series of rational choices made by national leaders” which correspond to the limitations and opportunities posed by economic interests, “the relative power of states stemming from asymmetrical interdependence”, and the role played by the EU institutions in bestowing added credibility to interstate commitments (Moravcsik, 1998: 18).

Even though explaining the widening of the European Union is more difficult for the liberal intergovernmentalism theory due to the imprecise nature of effects of enlargement on applicant and member states, Moravcsik again predicts that member states will make a decision on whether or not to widen the EU's membership after calculating the costs and advantages of membership (2005: 198). In the application and accession processes of the aspirant countries to the Union, bargaining power is unevenly distributed in favour of the existing member states who can “impose conditions, create exceptions and transition periods, and provide side payments” on candidates according to their “interdependence relationship with potential new members” (Moravcsik and Schimmelfennig, 2009: 80). This unbalanced situation

makes aspirant countries seek membership to the EU to influence the decisions on trade and monetary policies that affect them both directly and indirectly while giving member states the upper hand in taking precautions against the disadvantages of enlargement such as competition in markets and EU funds.

From Moravcsik's vision it can be concluded that liberal intergovernmentalism conceptualizes the European Union as a problem-solving entity whose main objective is to promote the material interests of its members. These member states pursue a "logic of consequentialism" (March and Olsen, 1998) where they attempt to realize their utility-maximizing preferences through strategic behaviour. In this problem-solving entity both deeper integration and widening continue so long as member states do not consider these closely interrelated processes detrimental to their own interests and there are no supranational EU institutions as these only serve as instruments of the member states instead of taking independent action. The strictly intergovernmental quality of this entity suggests that even though economic policies which will prove to be beneficial for the members will thrive in scope, it will be more difficult to reach an agreement on policies which are seen as infringing the national sovereignty (such as common foreign and security policy, and justice and home affairs).

At the other end of the spectrum lies social constructivism which "reject an imagery of actors including governments as calculating machines", who have pre-determined and definite set of preferences, unlike liberal intergovernmentalist ontology rooted in rationalism which takes actors' preferences as given (Risse, 2009: 146-7). Social constructivists problematize the constructed nature of the European Union and try to explain the role ideas and norms, along with interests, played in this construction. They are also interested in "how political processes and identities change within integration process" (Diez and Wiener, 2009: 12). Social constructivism is not a substantive integration theory, differing from liberal intergovernmentalism once again, but represents a social meta-theory "defined by a set of (mainly ontological) assumptions about the social world rather than by specific hypotheses"

(Schimmelfennig and Sedelmeier, 2001: 508). Similar to liberal inter-governmentalism, however, social constructivism also fails to provide a full-fledged theory of EU enlargement. A brief summary of explanations on enlargement given by social constructivist scholars (Fierke and Wiener, and Sedelmeier) are provided below, which shall be analyzed more thoroughly in Chapter 4 of this thesis.

Karin M. Fierke and Antje Wiener focus on the impact of speech acts that led to the social construction of a European identity, which consequently transformed the promises given to the CEECs in the years of the Cold War into threats (1999: 725). Ulrich Sedelmeier's "special responsibility" theory (2000a), which claim that there occurred a discursive creation of a collective identity in the member states and EU institutions towards the CEECs to whom these policy-makers felt a moral obligation to help, can also be included in the social constructivist explanations of the EU. However, Sedelmeier's explanation of the Eastern enlargement differs from Fierke and Wiener's in that Sedelmeier accepts the pull of this collective identity was not the same for all actors involved in the decision to enlarge, and the special responsibility towards the CEECs only represented a constraint on opposing enlargement openly.

It can be concluded that social constructivists regard the European Union as more of a value-based community, rather than a problem-solving one, which aims to "revitalize traditions, morals and memories of whatever common European values and affiliations there are" (Sjursen, 2006: 2). In this community, actors

are imagined to follow rules that associate particular identities to particular situations, approaching individual opportunities for action by assessing similarities between current identities and choice dilemmas and more general concepts of self and situations

(March and Olsen, 1998: 951)

Meaning that social constructivism's logic of action is rule-guided behaviour, hence logic of appropriateness, in a given social situation which aims to remain in the limitations of values and identity of the community it is based on. Integration in a value-based European Union would, therefore, depend on a common set of norms

and a shared identity, which would not be geared towards gaining material benefits, leaving more room for action in sovereignty sensitive policy areas even when deepening of the integration process does not serve the interests of every member state equally. In turn, the lack of cost-benefit primacy in integration decisions would lead to a more supranational community with autonomous institutions who contribute to the EU's identity and purpose. The nature of a European Union rooted in shared values (such as adhering to liberal democratic norms) and a common European identity also posits that desirability of widening the Union “depends on the degree of community [member states and applicants] perceive to have with each other” and this widening will be a continuing process until the EU's cultural borders in values and institutional boundaries match (Schimmelfennig and Sedelmeier, 2001: 513-5).

This study attempts to break this rigid dichotomy of liberal intergovernmentalism versus social constructivism and, instead, utilizes the middle-range theory of “rhetorical entrapment” devised by Frank Schimmelfennig, who draws from both classical theories to explain the different stages of Mediterranean and Eastern enlargement. Schimmelfennig (2001, 2005) problematizes the decision to enlarge to the Central and Eastern European countries, considering that there were valid concerns about their adaptability to the European Union on political, economic and administrative levels. He argues that even though liberal intergovernmentalist perspectives explain the EU's establishment of closer ties and signing of association agreements with the CEECs after the end of the Cold War, the acceptance of the membership prospect for these aspirant states at the Copenhagen summit of 1993 cannot be accounted for by liberal intergovernmentalism (2005: 142).

Schimmelfennig offers a sociological perspective in which enlargement depends on the aspirant states' identification with and adherence to the constitutive values and norms of the EU, which include democracy, respect for the rule of law, pluralist political and economic systems (2002: 598-600). As the European Union committed itself to enlarging to all European states who share its liberal ideals from the very

beginning of the integration project, Schimmelfennig argues, it was against the standard of EU's legitimacy to turn the CEECs down. Therefore, policy actors who supported enlargement mainly for material interests were able to shame the less enthusiastic actors into compliance by using norm-based arguments. This process of the member states' having to honour their obligations is called “rhetorical entrapment” by Schimmelfennig (2005: 142).

The chapter following this introduction explores the accessions of the Mediterranean states into the European Community, as it was called in the 1980s before the signing of the Treaty on European Union, to allow for a healthier comparative study with the Eastern enlargement. It traces Greece's relationship with the Community before the military junta took control of the country and how this development affected its eventual membership. In this chapter a detailed explanation of why Greece sought accession and why the EC member states granted Greece's membership request is given, along with the background to the transformation Community had been going through in that time. Spain and Portugal's relationship with the Community under Franco and Salazar's dictatorships respectively is also evaluated in this chapter. Moreover, the similar incentives that led to Greece's application to the EC, as well as Spain and Portugal's, are traced to note a pattern of enlargement emerging.

The third chapter covers the most dynamic era of European integration which started with the accessions of Spain and Portugal to the Community, and was characterized by the widening and deepening of the EC's competence areas and reform of its institutions. In this chapter, main reasons for the Community's new-found enthusiasm for more deepening and supranational cooperation in the mid-1980s, which led to the signing of the Single European Act and the Treaty on European Union, are discussed. The main goal of this chapter is to demonstrate how the rapid development of the *acquis communautaire*, which presented the biggest obstacle to the CEEC accession, occurred and what it actually entailed.

The fourth chapter of this thesis is dedicated to the accession of the Central and Eastern European countries to the European Union, covering an approximately two decade time from 1988 when the first trade and cooperation agreements were signed with the CEECs to the 2002 Copenhagen European Council where the membership negotiations were concluded with all the candidate states except Bulgaria and Romania. In this chapter, the main focus is on the pre-accession strategy of the Union directed towards the CEECs, which is marked by its unprecedented conditionality as noted earlier. Moreover, the two new revisions to the Treaty of Rome (Amsterdam and Nice) are analyzed with a view to tracing the evolution of the *acquis* and institutional reform of the EU until the conclusion of the Eastern enlargement round. Throughout the chapter, comparisons with the Mediterranean round are made to provide a better insight into the Union's enlargement strategy and its consequential decision to expand the EU's membership.

In the final chapter, the key similarities and differences between the two enlargement processes, which have been explained in the previous chapters in detail, are highlighted to conclude that identity and past rhetoric of the European integration project have been deciding factors in both the Mediterranean enlargement and the Eastern enlargement.

The literature on the subject at hand is vast, especially on the process of Eastern enlargement – Kramer (1993), Krenzler and Emerson (1998), Michalski (2006), Nugent (2004, 2010), Preston (1997) and van Oudenaren (2005). However, theoretical work on why the Mediterranean enlargement happened is quite limited with Verney (2006) and Pridham (2002a) providing unique studies that do not deal with only the technical aspects of Greece and Iberian states' accession. The documents and reports from the European Community have been widely used in every chapter of this thesis to demonstrate where its institutions and member states stood in the face of membership applications from countries in transition to democracies, what the regulations and arrangements which constitute the *acquis* were, and how the European Commission dealt with the widening versus deepening

debate which became more and more highlighted as the prospect of Eastern enlargement became closer. In order to analyze the unique nature of the pre-accession process and conditionality applied to the CEECs, the existing literature of Grabbe (1999, 2000, 2002a), Maresceau (2003), Mayhew (1998, 2000) and K. E. Smith (2003, 2004) were utilized and consulted to.

## CHAPTER 2

### THE MEDITERRANEAN ENLARGEMENT

#### 2.1. Greece

The entry of Greece into the European Community (EC)<sup>4</sup> in 1981 remained the sole example in the history of European integration of a single country enlargement for decades. It also had the unique quality of being the first enlargement in which democratic transition was followed by admission to the Community.

Greece was the very first country to seek association with the Community. However, the underdeveloped Greek economy, the lingering effects of the Second World War and the devastating impact of its civil war, as well as the disputed Cyprus issue made it an unsuitable candidate for membership in the 1950s; hence, Greece was unable to have a say or participate in the initial phases of the integration project in the 1950s. Both the Community and Greece recognized the problematic nature of an immediate full membership and Greece applied for an Association Agreement under Article 237 of the Treaty of Rome in June 1959 instead. This preferred course of action entailed a transitional period which would enable Greece to integrate through the creation of a customs union in twenty-two years time. From Greece's point of view, the EC choice over European Free Trade Association (EFTA) could be explained by two basic reasons. Firstly, the Community offered a political aspect which was different to the aims of establishing a simple free trade area. Moreover, the EC covered agriculture, unlike EFTA which included only industrial goods. The Community's motivation in

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<sup>4</sup> The term 'European Community' (EC) is used to denote the European Coal and Steel Community (ECSC, 1951), the European Economic Community (EEC, 1957), and the European Atomic Energy Community (EAEC or Euratom, 1957). Since the 1965 Merger Treaty the three Communities have shared the same institutions while remaining legally distinct. In the Maastricht Treaty (1992), the EEC was officially renamed the 'European Community' and remains a separate entity within the European Union. Throughout the thesis, this latest form is used to refer to the EEC.

creating formal ties with Greece was primarily political. “As a member of NATO, Greece was vital to the development of a Mediterranean security policy which also needed to encompass Turkey” (Preston, 1997: 47). The Association Agreement was signed in Athens in July 1961. Even though the Greece's aim was association, the preamble of the Agreement stated that the Contracting Parties recognize “that the support given by the European Economic Community to the efforts of the Greek people to improve their standards of living will facilitate the accession of Greece to the Community at a later date” (OJ P26, 18 February 1963: 296), which confirmed the Association Agreement's status as a stepping stone for eventual full membership to the EC. The military coup of 21 April 1967 in Greece derailed the implementation of the Association Agreement. The European Commission decided to freeze the agreement, suspending all its provisions except tariff reductions until democracy was restored, following the pressure exerted by the European Parliament (EP). Tsoukalis claims that the political and the economic impact of the association was significant. From an economic perspective, the Association Agreement was part of the increasing internationalization of the Greek economy, a process of which objection was the opening the country up to a closer relationship with its Western European partners. On the political side, post-1974 reaction of the Greek government to the prospect of membership cannot be understood without this association context (1981: 33-7). The Agreement was also utilized as a springboard for facilitating the negotiation process when Constantine Karamanlis pursued full membership to the Community as the Prime Minister of Greece, after the fall of the junta regime.

### **2.1.1 From Association to Accession**

In July 1974, the military dictatorship collapsed, stimulating a period of re-evaluation of the economic and political policy in Greece. The newly-elected government, led by Karamanlis, sought membership of the EC essentially for political reasons (Ifantis, 2004: 79; Ioakimidis, 1984: 33-60; Smith, 2003: 110). Karamanlis and the Conservative political elite in the country regarded membership as a historical opportunity to place Greece in the international politics map and to shape its regional identity, free from the influence and interference of the United States. Moreover,

Karamanlis believed membership to be the key to achieving political stability, consolidating democracy and ensuring the attainment of socio-economic conditions, such as financial resources and large market, for the modernization of Greece (Ifantis, 2004: 79). This policy reorientation was determined by the perceived US role in both the junta regime in Greece and the widely-held view that American leadership was favouring Turkey in the Cyprus crisis. Predominant consensus in Greece was that the United States instigated and then preserved the military dictatorship and supported Turkey to the detriment of Greece and the Greek-Cypriot majority (Couloumbis, 1980: 25). As the anti-American feelings in the country grew, Greek government withdrew from the military wing of North Atlantic Treaty Organization (NATO) and tried to redefine its Western orientation by announcing its intention of seeking full membership to the Community in November 1974.

When Greece formally submitted its membership application in 1975, the Community had just completed the enlargement process of Denmark, Ireland and the United Kingdom, which proved to be a highly contested issue due to Charles de Gaulle's, the President of the French Republic at the time, veto of the UK's first membership application in 1961 and the protracted negotiations on the UK's contribution to the Community budget after the reactivation of application following de Gaulle's resignation from office. The member states and the EC were struggling with the after effects of this first round of expansion and a further addition to its membership seemed like a very uncertain enterprise, especially after the fall of authoritarian regimes in Spain and Portugal and it became clear that a future enlargement would not be limited to Greece alone (Tsalicoglou, 1995: 156). All this seems in contrast to the Community efforts to give European integration a bigger political edge with the ambitious project of achieving European Union by the end of the 1970s, which had been proclaimed by the European Council in 1972, only a few years prior to the Greek membership application. However, the oil crisis of 1973 caused a Europe-wide economic recession, leading to the collapse of the 'snake in the tunnel system', the EC's first attempt at monetary cooperation.

Promoting peace, which had been the main legitimizing factor for European integration in the Treaties founding the three European Communities, was no longer a priority for the public after three decades of stability and in a period of European détente. The Tindemans Report of January 1976 argued that the Community needed a new *raison d'être* after having fallen victim to its own success in attaining peace, prosperity and détente. Greece's application came in the middle of this identity crisis of the EC and the global second oil crisis of 1979 caused by the Iranian Revolution and fall of the Shah Mohammad Reza Pahlavi, which was marked by a lack of direction and legitimacy and, hence, was aptly termed as 'Europessimism' and 'Eurosclerosis'. Even with the association experience under its belt, Greece still remained a weak applicant. Article 237 of the Treaty establishing the European Economic Community, signed in Rome on 25 March 1957, stated “Any European State may apply to become a member of the Community”, therefore when the Greek application for membership was submitted, there were no formally established conditions imposed on acceding countries in the form of Copenhagen criteria. However, Wallace and Edwards argue that by the 1970s “the Community ha[d] gradually developed two rough criteria for membership, one political, the other economic” (1976: 2-3).

The Community had already shown the significance it attached to the political criterion by freezing the Association Agreement when the junta regime took over and the *de facto* conditionality of being a democratic state with fair and free elections became an absolute necessity for full membership for Greece. The country's relative economic backwardness had also been acknowledged in the Association Agreement negotiations. In the mid-1970s, the country was continuing to struggle with the same structural shortcomings, particularly the size of its agricultural population and weak industrial base. The European Commission estimated that Greek gross domestic product (GDP) per capita was less than 60 percent of the EC average (1976: 23). Moreover, even though the overall macro-economic impact of enlargement on the Community was deemed to be small, accession of Greece to the EC would still require significant transfer of resources from the Community budget. The potential

added costs to the common agricultural policy (CAP) was an issue of specific concern among the member states (Wallace, 1979: 33). The prospect of predominantly Mediterranean nature of its agricultural produce having a negative effect on their economy arose opposition in France and Italy against the Greek accession. In addition to economic concerns, the enlargement had the risk of making the Community a party to the Greek-Turkish dispute over Cyprus, which would upset the delicate balance the EC had maintained over the years (Tsalicoglou, 1995: 30). Therefore, with these factors taken into consideration, Greece certainly did not appear to be the most ideal of candidates for membership to say the least. Even its geographical position put it outside the Western European mainstream, sharing no land boundary with any of the member states and only a sea border with Italy. This is where Greece's geopolitical situation became significant.

Greece was an important part of the NATO strategic interest framework and a Cold War frontline state, hosting several US bases on its territory. As mentioned earlier, a new wave of anti-Americanism and withdrawal from NATO made Greece's position in the Western security alliance very precarious. Full accession negotiations and the eventual European integration of Greece was apparently necessary to restabilize its Western orientation within a non-military framework which did not include the discredited United States. However, according to Verney, Greece's accession to the EC because of geopolitical reasons is not a foregone conclusion as it implies “first, a systematic prioritization of strategic concerns over economic interests and, second, that all nine member states regarded the overall good of the Western bloc as their paramount concern” (2006: 24). For instance, why would a non-NATO member like Ireland, who could actually be negatively affected by the accession of Greece to the EC because of the potential reduction in its own benefits from the budget, put the Community's geopolitical interests above its own national gains? This question also leads to the main question of this chapter: Why did no member state veto the opening of negotiations with Greece, especially after the lukewarm Commission Opinion, when it was clear that the country had vital shortcomings?

The Commission's Opinion was adopted on 28 January 1976. Even though the Commission recommended “a clear affirmative reply be given to the Greek request and that negotiations ... should accordingly be opened”, it also emphasized the changes the Greek economy should go through before successful integration to the Community and the EC's concerns over the balance of its relations with Turkey, which had been carried out on equal terms with Greece until that point with both countries having Associate status. The Commission's key proposal was the establishment of a pre-accession stage before any specific transitional periods came into effect. However, in an unprecedented act, the Commission's Opinion was roundly rejected by the Council of Ministers and the Greek application was accepted unconditionally. The Council decided to open the negotiations with the aim of entry without delay following their conclusions. Despite Greece's apparent disadvantages, the formal negotiations were concluded on 23 May 1979 and the Accession Treaty was signed on 28 May 1979 with the formal entry taking place on 1 January 1981. The whole accession process took less than six years. However, this swiftness in action was not accompanied by enthusiasm for the enlargement in the Community (Ifantis, 2004: 80; Preston, 1997: 52-59; Verney, 2006: 26). Tsoukalis argues that “the lack of enthusiasm for Greece's entry was compensated for by the simple fact that no member government wanted to be seen opposing it” (1981: 136). This begs the question of why were the member states reluctant, or even unable, to refuse Greece?

Verney (2006: 27) argues that the debate on Greece's accession to the EC could be divided in two parts. In the first phase, the second enlargement was framed as an essentially political issue and was regarded positively. The second phase was for second thoughts and reservations, as the climate changed and the EC faced new challenges. The unexpectedly rapid approach of Spain and Portugal towards the EC changed the context of the enlargement as the Greek accession was seen as a rehearsal to the more challenging candidate, Spain. Besides, up until the opening of negotiations with Greece, the application was handled by the high politics of the EC as this approach served the interests of both the Heads of State and Government of

member states and Karamanlis. From that point on, the debate moved to low politics and hence became more focused on economic issues, member states and Greece succeeding in decoupling the decision on accession from the accession negotiations and ensuring that Greece's entry to the Community could not be threatened. However, the start of accession negotiations meant that even though the circumstances were different, the Community could not impose any conditions to Greece in the absence of any formal criteria except the Article 237 of the Rome Treaty. The Greek accession depended on negotiating harmonization with the *acquis communautaire* and transitional periods.

### **2.1.2 Justifying the Greek Enlargement**

The fundamental factors for countries seeking admission to the EC and the most apparent rationale for EC expansion are essentially economic and strategic advantages. However, as mentioned earlier, the economic benefits Greece would bring to the Community are hard to find and the economic dimension of the accession is conspicuous by its absence in the debates about enlargement after Greece formally applied for membership. The inherent weakness in the structure of Greek economy was not the only element working against its membership in this process. Greece was a rather marginal trading partner for the EC member states in the mid-1970s (Verney, 2006: 29), which led to the omission of this aspect of enlargement from the discourse as well. The other significant reason for EC expansion was, of course, strategic motives. Greece's Western commitment had to be secured by tying the country down with the prospect of Community membership, which would help Greece rebalance its relationship with its allies. The idea that accession of Greece could help the EC on international arena by strengthening its influence in the Mediterranean was also floated (Verney: 2006: 31) but these arguments were peripheral at best. Except the aim of stabilizing the shaken direction of Greece's foreign policy outlook, the economic and strategic aspects that could be utilized to justify the second enlargement were not enough to conclude that the Community's decision to start negotiations was mainly interest-driven. The lack of a clear ambition on the EC and member states' part about promoting interests and the

prospect of material gain demonstrate that the second enlargement was not an instance where logic of consequentiality was at play.

The 1970s were a decade in which the European Community attempted to re-invent itself as more than a Common Market and an economic actor, with the launch of European Political Cooperation in 1973 and the publication of a “Declaration on the European Identity” in the same year. In this declaration, the nine foreign ministers of the member states stated that:

they are determined to defend the principles of representative democracy, of *the rule of law*, of *social justice* – which is the ultimate goal of economic progress – and of *respect for human rights*. All these are the fundamental elements of European identity.

(Council of Ministers, 1973: 49. Emphasis added)

This document referred to the discourse of common values of the member states that constitute the Community, and not interest-based arguments, as the fabric of the EC. This new value-based direction of the Community had quite a positive impact on the Greek application for membership.

The historical and cultural heritage of Greece as the birthplace of democracy and the Western civilization reinforced the country's European credentials. Valéry Giscard d'Estaing, the French President at the time, described Greece's entry as a “return to the roots”, and stated in his memoirs that “it was impossible to exclude Greece, the mother of all democracies, from Europe” (quoted in Karamouzi, 2013: 23). Greece's perceived nature as the source of the common values that identify the Community created a climate in which the country's 'Europeanness' went totally unquestioned and in a kind of setting where being European was the only formal criterion for membership, this worked in favour of Greece's inclusion. It might be thought that the existence of a military junta for seven years actually made the matters irrevocably worse for Greece's membership prospects but in fact it had the opposite effect. The 1967 coup created a shock effect in the Community, which was intensified by the perception that an authoritarian regime was unnatural for a state of Greece's stature

(Verney, 2006: 33). The EC reacted to this regime change by unilaterally suspending key clauses in the Association Agreement, without having a legal basis to do so, and declared that full membership was out of the question while the Colonels were still in power. The re-establishment of the civilian government only strengthened Greece's European identity in the eyes of the member states, as it was another proof of the country's commitment to democracy. "Greece was essentially seen as European due to its supposed adherence to European ideals, which in turn had been born in the shadow of the Acropolis. Moreover, EC accession was represented as a way of reinforcing and guaranteeing Greece's 'European' nature" (Verney, 2006: 34). Greece's identity became closely linked with its road to democracy, which in turn played a huge part in its relationship with the Community before and after the collapse of the military dictatorship.

Democracy was not a significant factor on the Community agenda until the European Parliament's Birkelbach Report in 1962, which recommended that the EC membership should be limited to democratic states and debated the Community's political identity as protector of democracy in relation to enlargement. The discussion about the role democracy plays in the context of the political identity of the EC intensified after the regime change in Greece with the military coup in 1967 and the collapse of three dictatorships in the Mediterranean – Spain, Portugal and Greece. Article 72 of the Association Agreement with Greece (OJ P26: 313) stated that:

When the operation of the Agreement of Association has made it possible to envisage the acceptance by Greece of all obligations arising out of the Treaty setting up the European Economic Community, the Contracting Parties shall consider the possibility of Greek accession to the Community.

After the fall of the junta regime in Greece, the Community decided that the reactivation of the Association Agreement depended on the re-establishment of parliamentary democracy by holding free and fair elections (Verney, 2006: 35). Following the civilian government coming into power, there was no other political condition for Greece to meet and it could apply for membership without further ado.

However, the membership itself required Greece to accept all the obligations in the Treaty, as mentioned above, but the lack formal criteria for accession in this era of European integration meant that a specific consideration in the shape of political concerns could be prioritized over others. This is the course of action the Community chose, the very essential element in becoming a member of the EC – having a democratic regime – was also regarded as sufficient to opening negotiations with Greece.

The Community's own attitude towards the junta played a determining role in creating an atmosphere in which the establishment of democracy in Greece became the basis of entitlement to full membership. As stated earlier, the Community had ruled out any possibility of Greece becoming a member while the Colonels were still in charge of the country. In the final years of the military rule, these statements subtly changed into declarations that Greece could become a member if the Colonels were ousted from power (Verney, 2006: 35). Karamanlis used these statements and promises to his and the country's own advantage, evoking a kind of discourse that meant the Community had a moral obligation towards Greece now that it achieved democratic transition (Botsiou, 2002: 21), regardless of this obligation going against economic interests of the EC and the member states.

The fact that Karamanlis-led New Democracy Government's opposition in this era was Pan Hellenic Socialist Movement (PASOK) was also to the advantage of the Greek Prime Minister. PASOK was led by Andreas Papandreou, who claimed that the European Community and NATO were synonymous in nature and that Greece should distance itself from both by cooperating with other Socialist governments in the Mediterranean, which pushed the EC to speed up its negotiations with Karamanlis as his possible replacement was apparently not so keen to seek entry to the Community (Kazakos, 1992: 257-78). It is clear that Karamanlis was successful in using the Community's past rhetoric in favour of Greece as the most important document of the accession process stated that “In preparing the present opinion the Commission has been deeply conscious of the obligation that lies on the Community to find a fitting

and appropriate response to the Greek request for membership” (European Commission, 1976: 9). Along with the fact that Greece had prior association links with the EC, it is this democratic obligation that constitute the rationale for accepting the application in the Commission's Opinion.

This request, coming a few months only after the restoration of democracy in Greece ... represents a remarkable affirmation by the Greek people and their leaders of the overwhelming importance they attach to their country being committed to the cause of European integration. It is clear that the consolidation of Greece's democracy which is fundamental concern not only of the Greek people but also of the Community and its Member States, is intimately related to the evolution of Greece's relationship with the Community. It is in the light of these considerations that the Commission recommends that a clear affirmative reply be given to the Greek request and that negotiations for Greek accession be opened.

(European Commission, 1976: 9)

The widely-shared perception that membership would stabilize and consolidate Greece's democracy made it virtually impossible to argue against, especially in an era when the Community was aiming to redefine itself in terms of its values (Verney, 2006: 37). To turn away a candidate because of practical concerns would have meant a loss of legitimacy and credibility for the EC just when it was attempting to send the right signals to Spain and Portugal after the collapse of their own authoritarian regimes, while putting Greece's deficiencies aside and focusing on its evolution from an authoritarian regime to a democratic state would be the 'appropriate' course of action. Greece belonged to Europe and Europe was represented by the European Community, who had to do right by Greece and accept its responsibility. This sense of identity and common values, which held the EC together spoke to the Community's *raison d'être* not as a problem-solving but as a value-based entity, who had to employ logic of appropriateness when dealing with a state in need of help to re-take its rightful place among other democracies. Hence, no member state could stand in the way of Greece's membership in fear of being seen opposed to the higher value of democracy.

The role speech acts played in the second enlargement is a major one. Throughout the accession process, the Community's responsibilities towards a fledgling

democracy such as Greece has been defined and defined again as the climate changed mostly because the Spanish and Portuguese accessions became a real phenomenon that the EC had to deal with. The Commission's own Opinion on Greek accession evolved from the need to have a pre-accession process to the responsibility of the Community concerning the future of Greece's democracy, which was influenced by the supportive stance of Germany and France about accession as well as the promises made in the era of Colonels and transition period. Consolidating democracy in the Mediterranean region represented a significant challenge for the member states as they either had to take an active role or risk the already very fragile situation getting progressively worse. This constant debate on enlargement limited the appropriate course of action the Community and its member states could take. The precarious geopolitical and strategic situation of Greece was a significant factor behind the decision to enlarge, to be sure (Ifantis, 2004: 81). However, even the member states which had basically very little to gain from Greece's Western reorientation felt unable to oppose the accession because it was framed as a question of democratic obligation. Therefore, the way Greece's entry to the EC has been justified could be the very first example to the Frank Schimmelfennig's 'rhetorical entrapment' strategy that was used extensively in the Eastern European enlargement. Karamanlis, along with the member states who sympathized with Greece's case, shamed other reluctant member states into silence by using norm-based arguments such as promotion of democracy and the Europeanness of Greece.

Moreover, the second enlargement had extremely important effects on the fabric of European Community. Verney argues that "The acceptance of Greece on democratic grounds promoted the construction of a European identity, allowing a self-conscious assertion of European integration as a noble project based on rights and values" (2006: 40). At a time when the Community was going through an existential crisis, democracy promotion gave the EC a new aim, along with the fundamental goal of the Treaty of Rome that is guaranteeing peace in the continent. This new sense of purpose of the Community became entrenched as the primary basis for EC enlargement, with the exception of EFTA accession in 1995, paving the way for the

accession of Spain and Portugal imminently, and Central and Eastern Europe at a later date.

## **2.2 Spain**

After the Second World War, the political regime in Spain took the form of a dictatorship led by General Franco, who accumulated the power in his hands only. This was a stark contrast to the situation in the rest of Western Europe, except Portugal, who was on its way to democratization, and Keynesian reforms with mixed economy. Franco's association with the Axis powers in the Spanish Civil War made the country a pariah state after the Allies won the war and Spain was excluded from the emerging international order and, hence, the newly-established United Nations (UN). Spain could rely on the support of only Portugal – a very similar autocratic regime – some Latin American and Arab countries, and the Vatican (Ruano, 2005: 98).

However, the Cold War made total isolation impossible and the conflict between the Soviet Union and the United States directly affected Spain's international standing. Concerned that a possible lack of authority, if Franco was ousted, could lead to the appearance of a communist regime, the US signed several military-economic pacts with Spain on 26 September 1953, which helped the country with the entry into Western institutions (Martin de la Guardia, 2004: 94). From the early-1950s onwards, Spain was able to normalize its relations and achieve realignment with the international community. In spite of this rapprochement, however, Spain was still refused aid from the Marshall Plan Administration and had not been invited to join NATO. More importantly, the groups and organizations involved in European integration were adamant that Spain could not participate in the new post-war European system as long as the non-democratic powers stayed in place (Closa and Heywood, 2004: 7). The Council of Europe termed Spain a 'totalitarian regime' in May 1951, excluding the country from signing their 1949 Charter. Franco's Spain gained some international recognition after joining the UN on 14 December 1955, which was the consequence of the agreements with the US bearing their fruits. For

Spain, this half-integration was not sufficient, however, and the country's return to the world stage could be complete only by being admitted to the European Community, which had just been launched (Pereira Castañares and Moreno Juste, 2002: 61).

Having suffered from inward-looking autarchic economic policies due to international isolation, Spain had a pressing need for foreign trade (Guirao, 1997: 117). Therefore Franco decided to embark on a limited economic liberalization in the late 1950s, which meant the establishment of a new relationship with the European Community that transcended a secondary partnership. On 9 February 1962, the Spanish government presented an official application to the Community to initiate negotiations between both sides with the objective of examining the possible accession of Spain to the EC. The application letter mentioned “the European vocation of Spain, repeatedly restated throughout her history, [which] finds a new occasion to show now that the process of integration is shaping the ideal of European solidarity and making it come true” (quoted in Martín de la Guardia, 2004: 96).

For obvious reasons, the political regime of Spain did not come up as Franco saw the prospect of association as a means to a stronger economy, and not a desirable end in itself politically. “The evolution of the regime's policy had, in general terms, little to do with the assimilation and acceptance of a united Europe” (Pereira Castañares and Moreno Juste, 2002: 63). The main goal of the application was actually securing a stable relationship with Spain's most important trading partners, which would lead to economic growth and strengthen Franco's rule. The application was not exactly received with welcome arms, to say the least. Both European governments and democratic regional bodies agreed that Spain should demonstrate signs of political liberalization before an association, that went beyond strictly economic and technical, could be formed. Less than a month before the Spanish application, on 15 January 1962, Birkelbach Report had defined the criteria for evaluating future applications for membership, stating that:

Those states whose governments are not democratically legitimated and whose peoples do not partake in the political decision-making, whether it be directly or by means of freely elected representatives, cannot expect to be admitted to the society of peoples which form the European Communities.

(European Parliamentary Assembly, 1962: 9)

Moreover, countries seeking to join the EC were required to recognize the principles for membership established by the Council of Europe: the rule of law, democracy and respect for human rights and liberties. Association was considered as a future possibility for the countries which fulfilled the political conditions for membership, but were not economically ready for full membership. Franco's Spain did not meet these conditions either in its origin or in its development. In June 1962, the IV Congress of the European Movement, attended by representatives of the opposition to Franco both at home and in exile, agreed to demand that the European institutions exclude Spain until the regime was democratized (Castañares and Moreno Juste, 2002: 55). In this climate of adversity, the EC left the application unanswered for two years but the Spanish government decided to try once again on 14 February 1964. The Community answered on 6 June and initial exploratory talks on finding possible solutions to the economic problems took place in the same year. Negotiations, which took more than five years, were marked by technical and political difficulties. The association option was off the table as it would have led to a rapid customs union, which was contrary to France and Italy's benefit especially in the agriculture sector; accession was already out of the question because of Franco's dictatorship. As a result, Spain and the EC signed a simple Preferential Agreement on 29 June 1970.

The agreement lasted only six years. Spain presented a formal membership request following Franco's death. Although the Spanish government was aiming to deepen its relationship with the Community, domestic affairs were not favourable and soon relations between Spain and the EC entered an unstable phase. There were signs that Franco was turning back to his uncompromising stance on opposition, which included mostly trade unions and the Basque separatists in the early 1970s. After the military court handed out five out of a total eleven death sentences for *Euskadi Ta Askatasuna* (ETA) and *Frente Revolucionario Antifascista y Patriótico* (FRAP) members in

September 1975, Europe had to respond strongly to make a statement, which resulted in all EC member states, except Ireland, recalling their ambassadors from Spain. The European Parliament approved a resolution which called for the suspension of the talks then taking place between the EC and Spain for the updating of the 1970 agreement. In view of these events, relations had deteriorated to such an extent that on 7 October 1975 the European Council announced that negotiations between the Community and Spain cannot be continued.

### **2.2.1 The Road to Accession**

Powell argues that the European Community stood for a “complex system of medium and long-term incentives and guarantees tending to favour democratization” (1996: 296). On the one hand, the EC's veto contributed to the restless mood of certain groups within the Spanish society from the end of 1970s, who thought they were missing out on the benefits the Community had to offer, and undermined the authoritarian regime. Economic elites began to regard Franco as an obstacle to their aspirations. Moreover, the Council of Europe's veto on membership and the growing stability and prosperity of Western Europe reinforced the legitimacy and appeal of democracy as exercised by the EC member states in the eyes of public opinion in Spain. The Community came to be seen as the embodiment of European values, modernization (Hamann, 2003: 51), and most importantly liberal democracy and political freedom, hence represented a symbol of everything the Franco's regime failed to be or prevented Spanish people from having.

Three days after Franco's death on 20 November 1975, King Juan Carlos proclaimed Spain's renewed commitment to full integration in Europe's major institutions and the monarchy was restored in the country. In December 1976 an Act for Political Reform was approved by the Spanish Parliament and a referendum. Pridham (2002a: 193) argues that it was during this period of Iberian enlargement that the Community specified its systemic requirements for potential members more clearly: the inauguration of free elections; the predominance of parties supportive of liberal democracy; the existence of a constitution; and a reasonably stable government.

Madrid was warned by the EC foreign ministers in early 1976 that only when the transition process towards democracy had been launched could relations with the Community resumed. Therefore, both before the democratization process and throughout its progress, the Community was perceived as a guarantee by the opponents of the dictatorship. It was assumed that a government committed to joining the EC would be especially careful about the basic values and rights of Western Europe, so as not to endanger its membership chances (Varsori, 2009: 13).

The general elections were held on 15 June 1977 and one of the first foreign policy actions of the newly-elected government was the submission of a formal application for membership on 28 July 1977, along with a formal request for negotiations to be opened. According to Pereira Castañares and Moreno Juste (2002: 73), the Spanish governments aimed to “kill several birds with one stone”: to confirm the legitimacy of Spain's new democracy; to redefine the country's place in Western Europe and the world; to open the economy to foreign investment; and of course participate in the European integration. The Council of Ministers received the request favourably and asked the Commission to draw up its Opinion on 21 September 1977. However, even before the Opinion was sent to the Council for approval, the EC's institutional commitment was met with French opposition. Jacques Chirac, France's Prime Minister at the time, stated that Spain's accession would be unbearable for French agriculture; therefore, Spain should be left out of the common agriculture policy altogether and negotiate a mere association agreement instead of accession (Martín de la Guardia, 2004: 102). The French scepticism was not enough to thwart the progression of relations, however, and the European Council officially accepted the application on 20 September 1977. Less than a year later, on 19 April 1978, the European Commission presented the 'General Considerations on the Problems of Enlargement', also known as the 'The April Fresco', after all of Greece, Spain and Portugal had submitted their membership applications. The Commission made it clear that:

The three countries have entrusted the Community with a political responsibility which it cannot refuse, except at the price of denying the principles in which it is itself is grounded. These principles are enshrined in the preamble to the EEC Treaty, where the founders of the Community, 'being resolved ... to preserve and strengthen peace and liberty, [called] upon the other peoples of Europe who share their ideal to join in their efforts'.

The Heads of State and Government have recently solemnly proclaimed their faith in this ideal, which requires the Community to give a positive answer to the applicant countries.

(European Commission, 1978a: 6)

On 29 November 1978 the Commission finally issued its positive assessment of the Spanish application. However, Giscard d'Estaing succeeded in delaying the second phase of the enlargement until the CAP was reformed and financial problems of the Community were dealt with. On 23 February 1981, the new Spanish democracy faced its greatest challenge when an attempted *coup d'état* was launched by Lieutenant Colonel Antonio Terejo. Institutional normality was restored three days later. The Community responded by condemning the coup, and its institutions reaffirmed their desire to see a democratic Spain become a member state. The European Parliament emphasized the EC's responsibility in preserving Spanish democracy and, consequently, urged for an acceleration in accession negotiations that had stalled because of French government's uncompromising attitude on the agricultural issue (Ruano, 2005: 106).

The attempted coup gave a small boost to the process and the Community reached an agreement on six of the sixteen chapters on the negotiation table, in addition to facilitating talks on delicate matters such as agriculture and tariffs (Closa and Heywood, 2004: 17). At the 1983 Council of Ministers summit in Stuttgart, the Heads of the State and Government of the ten member countries outlined the general conditions for southern enlargement. This summit stressed the need to solve the EC's budgetary problems and reform the CAP before Spain and Portugal could join the Community. A transitional period of seven years was established for the integration of Spanish agriculture in the CAP. The Fontainebleau European Council of 1984 set the agenda for the final stages of negotiations on Spanish and Portuguese accession, provisionally scheduled for 1 January 1986. In early 1985, the negotiations between

Spain and the Community reached their final stage with Spain being granted a seventeen-year long transition period on the thorniest chapter, fisheries. This period was actually the longest term any member state had ever received in any matter. Spain joined the EC on this agreed date, at the beginning of 1986.

The signing of the Treaty of Accession represents a turning point for Spain and its relations with Europe. This moment of historical importance can only be understood within a context of Spain's transition to democracy and the efforts to consolidate it during and after the full membership to the Community. As Pereira Castañares and Moreno Juste put it succinctly, the democratization process and EC entry confirmed the exorcism of old demons in Spain's political culture, which dictated that Spain was different to rest of Europe, and the modernisation had been achieved (2002: 78).

### **2.3 Portugal**

Portugal's regime and its resistance to decolonization were the two main political obstacles to European integration between 1945 and 1974 (Pinto and Severiano Teixeira, 2004: 113). The fall of António Salazar's dictatorship and the institutionalization of democracy, in addition to the end of the colonial wars, resulting in decolonization, were *condiciones sine quibus non* for Portugal's unification with the Community on a more than an economic basis. The Cold War and geopolitical considerations allowed the survival of the regime, however, due to Portugal's relatively better relations with the United Kingdom and the United States than its neighbour and historical rival Spain, who was under the control of a similar authoritarian regime (Andresen-Leitão, 2001: 27) .

During the Second World War, Salazar permitted the US to build the Lajes Base in the Azores in exchange for military assistance, which facilitated Portugal's reach to Marshall Plan funds even though Salazar had rejected any sort of aid before in fear of losing independence. This change of course by Salazar can be explained by his determination to not be left out of the world stage altogether (Pinto and Severiano Teixeira, 2002: 8-9); hence, it is no surprise that Portugal joined the United Nations

and became a founding member of NATO after the end of the Second World War thanks to its alliance with the two Atlantic powers, the US and the UK. Portugal's participation to these two significant organizations, along with its Organization for European Economic Cooperation (OEEC) membership, ensured the country's international acceptance.

Pinto and Severiano Teixeira argue that Salazar had his own vision of Portugal in the post-Second World War world, which was based on two basic assumptions. On the one hand, he believed that Portugal was an essentially Atlantic country and the continental European concerns should not be its priority. He, therefore, opted for a close alliance with the current major maritime power and Portugal's colonial empire in Africa. On the other hand, Salazar did not accept the significance of multilateral diplomacy on the international arena and was devoted to the principles of nationalistic autarchy. He rejected the notion of self-rule and its natural consequence, decolonization (2004: 113). Nevertheless, the Marshall Plan led to Portugal's participation in all of Europe's institutions created with the aim of promoting economic and military cooperation after its membership of OEEC, European Payments Union (EPU) and European Monetary Agreement (EMA); and, of course, integration to the Atlantic security system with NATO.

Political cooperation, however, was against Salazar's vision of Portugal and the country remained on the periphery of efforts to set up the supranational European Coal and Steel Community with the Treaty of Paris in 1951, along with European Defense Community treaty and plans for a European Political Community the following year. Salazar believed that “the idea of a European federation was 'repugnant' to the Portuguese people ... because of 'their love of independence and the overseas territories'. The Portuguese vocation ... lay in the overseas territories” (Andresen-Leitão, 2001: 28). Even if Salazar had been open to a possible association with the emerging European order, the Community was restricted to democratic regimes only. The same democratic precondition and Salazar's anti-European stance also excluded Portugal from membership of the Council of Europe. Britain remained

Salazar's point of reference in all matters European, despite the US taking its place as the biggest Atlantic power, and he followed Britain's policy positions very closely (Pinto and Severiano Teixeira, 2002: 11).

The signing of the Treaty of Rome and the customs union proved Salazar wrong about the European integration, which affected Portugal's economy profoundly (Corkill, 1993: 16). The importance of the Common Market had made itself very clear to Salazar by 1957, who was aware of the vulnerability of Portugal against Europe. With the worries of further isolation and the lack of options offered by insufficient relations with Spain, Brazil and Latin America in mind, Portugal began to look for solutions in a free trade area, following the footsteps of Britain. Salazar did not envisage the possibility of full membership to the Community for political reasons; however, Portugal's dependence on the European markets was far too great to ignore the EC altogether. Prominent non-governmental bodies were also in favour of further integration to Europe. Congress of Portuguese Industry and Oporto Industrial Association were in agreement that Portugal's economy could ill-afford total exclusion from European economic integration and there were no alternatives but to participate in an OEEC-wide free trade area. Oporto Industrial Association even foresaw the possibility of this integration exceeding economic objections and leading to political integration (Andresen-Leitão, 2001: 30-31).

EFTA emerged as a result of the abortive free trade negotiations initiated by Britain to create a free trade area for countries who were either unable or unwilling to join the EC. Portugal's low level of economic development and its largely agricultural nature, which was excluded from EFTA, made it an unlikely candidate as even the UK thought Salazar would not be interested in the proposal. However, Portugal officially stated its desire to be represented in the negotiations, having accepted the need to liberalize its economy. EFTA presented a chance for Portugal to be integrated into Europe while keeping its colonies, as the United Kingdom was keen to include its own Commonwealth and could see Portugal as an ally. Portugal became a member of EFTA in 1960 with the signing of the Stockholm Convention. For

Salazar, EFTA provided the only option which included all the economic benefits without political costs. It was of a strictly intergovernmental nature, to the EC's supranational one, and allowed Portugal to keep its Atlanticist orientation as Britain was heavily involved in the process. Most importantly, because EFTA was a free trade area, rather than a customs union, Portugal could also maintain its special relationship with its African colonies. As Tsoukalis put it, EFTA membership was the “choice of non-commitment” for Portugal (1981: 81).

However, less than two years later, on 11 August 1961, Britain applied for EC membership. As the major force behind EFTA, Britain's application compromised the future of the organization. Portugal had already made its stand clear on the Community membership: the multi-continental quality of the country and the nature of its regime and administration made it difficult, even impossible, to seek entry to the EC. Nevertheless, Portugal had to find a realistic solution to its relationship with the Community to guarantee economic development for the continuation of the regime and the war effort in the colonies. The Portuguese cabinet changed its attitude to negotiate with the EC and it was prepared to accept an agreement which was similar to Greece's Association Agreement but would be asking even less from the Community, while also accepting to exclude its colonies from membership for a prolonged transition period of fifteen years (Pinto and Severiano Teixeira, 2002: 23). French President Charles de Gaulle's veto of Britain's membership application on 14 January 1963 delayed the negotiations until after de Gaulle's departure from the political scene, when the European project was relaunched at the Hague summit in 1969 which led to the first enlargement of the Community.

By the early 1970s the importance of the African colonies for Portugal's economy had dropped significantly and Europe had become the main trading partner of Lisbon due to EFTA membership, with almost half of Portuguese imports and exports being with the members of the European Community (del Pero, 2009: 16). Therefore, the feeling among the political elites of the country that Portugal should be integrated to the Community and be democratized grew substantially. Hence, Salazar's successor

Marcelo Caetano inherited a state and an international political situation which were quite different to that of a mere decade before. However, Caetano proved to be an even less flexible leader than Salazar and refused to have closer relationship with the EC, in addition to increasing Portugal's war effort in the colonies (Cann, 1997: 5-26).

Britain's second application and eventual accession to the Community forced Caetano's hand, however, as it became a must for Portugal to form an association with the EC bilaterally, without Britain's patronage. In May 1970 Portugal requested talks with the Community and formed a commission for exploring the options the country has. The report this *ad hoc* commission produced also recommended associate membership, as accession was not possible due to political reasons. Caetano understood that the EC would not be willing to negotiate an association agreement either as it was reserved for countries that were economically unable to join but politically willing, under Article 238 of the Treaty of Rome. Establishing a trade agreement with the Community seemed to be the only alternative Portugal had as it was apparent the country had become more isolated on the world stage with the growth of the EC's influence. The trade agreement was signed in July 1972 and ratified by the Portuguese Parliament in December. Del Pero argues that this trade agreement became a watershed and improved the trade relations between Portugal and the Community even further, accelerating Portugal's inclusion to Europe and revealing that keeping the African colonies and trying to Europeanize Portugal were not complementary goals like Salazar's strategy suggested (2009: 16). It was not economic factors that were holding Portugal down when it came to the EC accession but the lack of democracy and decolonization attempts. Salazar and Caetano were aware that the regime and their authority would be in danger if the idea of Europe gained popularity in Portugal, leading to pressure for democracy.

### **2.3.1 The Road to Accession**

On 25 April 1974, the authoritarian regime that had ruled Portugal for nearly fifty years fell mainly due to economic difficulties and unpopular colonial wars: a group of army officers, calling themselves Armed Forces Movement (MFA), led a military

coup which was openly supported by the majority of the Portuguese population and paved the way for transition to democracy as well as decolonization. The overthrow of the old regime was greeted with enthusiasm in Western Europe and both the EC and EFTA expressed their support for institutionalization of democracy in Portugal and their willingness to grant economic assistance. However, the revolution was embraced only on the condition that it would help Portugal achieve pluralist democratic system and rapid decolonization (Magone, 1997: 27). The 1976 election of the first constitutional government in Portugal started the process of consolidation of democracy and clarified Portugal's foreign policy choices. Portugal embraced the European option by choosing to modernize the country both politically and economically with a model dominant in Europe at the time (Pérez-Dias, 1993: 3).

The Council of Europe membership in August 1976 became Portugal's first step in the process of EC entry as by becoming a member of this organization Portugal gained international recognition for its fledgeling democracy and applied for the Community membership formally on 28 March 1977. The European Council accepted the application request one month later and the European Commission presented a report in favour of accession, which meant that there were no obstacles to opening the negotiations. In addition to the belief that full integration into the EC was necessary for economic development, the Socialist government led by Mário Soares saw accession as a way to crush any possibility of a future coup. According to Soares himself, this was the very reason why he was so determined to join the EC even though several Portuguese economists had warned him that some sectors of the economy would be vulnerable to the impact of membership "... for to do otherwise would mean that there could be no certainty that Portugal's democracy would be consolidated" (quoted in Pinto and Severiano Teixeira, 2004: 121).

Formal negotiations lasted from October 1978 until June 1985, which was unusual for a country of Portugal's size and economic flimsiness. The drawn-out nature of negotiations can be explained by two basic reasons, one internal and the other external. In addition to its fragile economy and the nationalization measures taken in

some sectors during the revolution, Portugal's constitution also included the Council of the Revolution, which was a product of the revolutionary period and kept the democratic regime under a military guardianship. This undemocratic institution presented a massive obstacle for the conclusion of the negotiations. Portugal revised its constitution in 1982 to abolish the Council and succeeded in subordinating the armed forces to the civilian power, removing the domestic barriers to EC membership. The external problem was the failure of Portugal's attempts at decoupling its negotiations from Spain's, who posed more serious questions to the Community with its larger economy and relatively isolated nature of its relations with the EC institutions. The Community's strategy was to negotiate with the two countries simultaneously and enlarge at the same date, which delayed Portugal's entry approximately two years as the consolidation of democracy had been achieved by 1983 (MacLennan, 2000: 161-2) . Portugal signed the Treaty of Accession in June 1985, becoming a full member of the Community on 1 January 1986.

Like in the case of Spain, the European Community played a significant role in the development and consolidation of democracy in Portugal, on an ideational level if not practically at the very least. As António Barreto stated:

the democratic ideal ... was symbolized in the greater part by Europe. This gave a concrete, visible, rooted, palpable sense to the aspirations for freedom that, by themselves, demand risk. It gave territorial and geographical significance to the uncertain horizons of democracy. It was the real substitute for past glories. It was a home, where there was room for one more. Besides proximity, sympathy and affinity, Europe was security.

(quoted in Royo and Manuel, 2003: 11)

The Community acted as a ready symbol for the political elites who used it to legitimize the new democratic regime against the backdrop of a colonial past and struggle for change.

### **2.3.2 Justifying the Iberian Enlargement**

The European Community, its member states and their bilateral or multilateral links with Spain and Portugal played the role of a demonstrative influence as well as an external source of support for political elites and forces whose aim was democratization of their countries. In this process, Socialist leaders emerging after the fall of their dictators made it their strategy to emphasize the link between their eventual EC entry and guaranteeing democracy. Felipe González, the leader of Spanish Socialist Workers' Party (PSOE), called on to his fellow European democrats at the congress of Social Democratic Party of Germany (SPD) on 15 November 1975, only a few days before General Franco's death, that:

For many years experience has demonstrated that the attitude of being willing to accept an autocratic regime in the hope of forcing its democratisation, produces the opposite effect. Today, when great expectations [for freedom in Spain] are once again being raised, we, the socialists, warn Europeans of their historical responsibility if this mistake should be repeated. All the democratic countries of Europe and the whole world have the duty to support the democratic project of the Spanish opposition.

(quoted in Muñoz Sánchez, 2009: 77)

Mário Soares, leader of the Socialist Party in Portugal, utilized a similar rhetoric of reminding Western Europe of its duty and responsibility at the meeting of the 'Committee of Support and Solidarity with Democracy and Socialism in Portugal' of the Socialist International in Porto on 14 March 1976. Portugal had been promised of help and support for democracy by its "European friends" and now that the country was about to hold its first free elections on 25 April, they had to fulfill that promise. The Committee received Soares' statements positively, making it clear with the ending words of the declaration that "Portugal belongs to Europe – Europe must recognize its responsibilities towards Portugal" (quoted in Fonseca, 2009: 54). The presence of Willy Brandt, as the leader of SPD and the Chancellor of the Federal Republic of Germany, at the time of the collapse of Mediterranean dictatorships worked in the favour of Greece, Spain and Portugal. As he stated in his memoirs: "in view of Germany's own [post-war] experiences, ... we could not remain indifferent to the fate of these nations; we had to show solidarity wherever possible" (Brandt,

1978: 164). In response to these calls for support from the leaders in Iberian countries and member states alike, the April Fresco made the Commission's view on the Mediterranean enlargement quite clear: the health of the democracies in Greece, Spain, and Portugal was in the hands of the Community, who had an unavoidable responsibility to see this transition through by saying yes to the demands for membership. A refusal would have meant going against the principles of preserving peace and liberty in the continent, and reversing the EC's policy of employing the appropriate course of action, which worked so well for Greece.

Both Spain and Portugal had already taken the decision to apply for Community membership before their democracies were consolidated and without the pressure from civil society or interest groups (Bermeo, 1998: 16). The Iberian enlargement remained a political elite-driven process for the most part on both candidate and EC sides. Moreover, there is little evidence to suggest that either Spain or Portugal thought EC membership on a cost and benefit basis only; and, even though negotiations on sensitive issues such as CAP and fisheries incited opposition from France and, to a lesser extent, Italy, the fact that the European Community was on the road to another expansion was never in doubt. Logic of appropriateness prevailed over economic acquis-related criteria as the establishment of democratic regimes, even in the simplest of terms, was enough for the member states to consider further enlargement. Europe was the insurance policy of the Iberian applicants against regression to undemocratic rule, and it tolerated the shortcomings of Spain and Portugal to encourage the consolidation of democracy and show solidarity for the values and ideals the Community was established on.

## CHAPTER 3

### DEEPENING OF THE INTEGRATION PROCESS

The Mediterranean enlargement came to a close after the questions on how and when Spain and Portugal would adopt the *acquis communautaire* had been solved. By 1985, this *acquis* was comprised of the customs union, the common agricultural policy, the common fisheries policy (which did not apply to Greece as it was adopted two years after Greece's accession to the Community, in 1983), a specific system for consumption taxes (Value-added tax – VAT), and external trade agreements. Hence, it can be argued that accession to the European Community was relatively easier than it is today as joining the EC basically meant “acceding to an uncompleted Common Market, that functioned mainly in the realm of goods” (Tovias, 2002: 170). In return, the membership of these three countries to the Community revealed the need to advance the European integration as the structural problems of the EC institutions and shortcomings of the decision-making processes became visible. The Single European Act (SEA), adopted in 1986, acted as the grand bargain to balance the widening of the Community; and was followed by the Maastricht Treaty of 1992, which achieved the completion of the single market program, and institutional and policy deepening before the EFTA round of enlargement.

In this chapter, the evolution of the Community *acquis* until the 1993 Copenhagen European Council, where the leaders of the member states laid down the conditions for membership for the Central and Eastern European countries (CEECs), shall be reviewed with the focus on two intergovernmental conferences (IGCs) which amended the Treaties of Rome.

### **3.1 The Single European Act**

The period that started with the adoption of the Single European Act in 1986 was arguably the most active and dynamic era of European integration since the completion of the customs union for goods in 1968 (Moravcsik, 1998: 314). The SEA, the first major revision of the founding treaties since the Treaty of Rome in 1957, reformed the Community on two levels: on the one hand, it enhanced the EC's institutions by introducing changes to the decision-making processes; and on the other, it broadened the Community's policy tasks by adding new competences which included the environment, research and technology, and economic and social cohesion. But the centrepiece of the SEA was the completion of the single market by 1992, which was chosen by the new president of the Commission, Jacques Delors, as the only policy objective that would have the backing of all member states (Young and Wallace, 2000: 94). What is surprising about this new wave of deepening, which is aptly called the 'relaunch' of the Community, was that it occurred when Europe as a whole was going through a hard time and the EC was put on the back burner by many national governments.

The economic recession, high unemployment and high inflation, caused by the second oil crisis with the revolution in Iran, made member states reluctant to enter into new initiatives on the Community level (Pelkmans and Winters, 1988: 6). In addition, Europe seemed to be losing its competitiveness as the United States shook off its economic problems that had haunted its industry in the 1970s and was on a path of recovery and growth after the election of Ronald Reagan as the President. Japan also emerged as Western Europe's biggest rival to the second place in the world economic table, which had been occupied by the EC for years (Moravcsik, 1998: 345). Europe was also dealing with serious political problems, externally and internally. The *détente* of the 1970s had been replaced by 'the second cold war' in which tensions between the Soviet Union and the United States flared as intensely as ever, creating huge political and social divisions in Western Europe. Domestically, both the EC itself and the European welfare state model were being questioned as the continued sluggish economic performance damaged the early achievements of both

systems and even the success of the European Monetary System (EMS) could not prevent the cracks in the integration process from arising (Ludlow, 2006: 220-1). Governments and industries turned to protectionist measures, which was in stark contrast with the Community principles of free trade and competition. The British Prime Minister, Margaret Thatcher, emerged as a de Gaulle-like figure in late 1970s and assumed the role of a nationalist opponent to European integration (Cameron, 1992: 29). The period was marked by pessimist views on Europe and the term 'Eurosclerosis' came to be widely used.

In the meantime, the EC institutions and policy-makers from individual member states began to take small steps with the aim of ending this state of inertia. One such attempt was the Genscher-Colombo Plan which came on to the European agenda in 1981. The foreign ministers of Germany and Italy, Hans-Dietrich Genscher and Emilio Colombo respectively, took the initiative outside the mandate of their governments and any European institution, and presented their plan to relaunch the integration process to the European Parliament. This plan was based on a more global approach than the Community's own structure and sought, above all, to bring together the activities of the EC and the activities of member states, exercised through the European Political Cooperation (EPC), in a single framework, developing a common foreign policy in the process. The Genscher-Colombo Plan was adopted as a solemn Declaration on a European Union in June 1983 at the Stuttgart European Council. This declaration became the basis of negotiations that led to the Single European Act and the pressure it created for member state governments was reinforced by the European Parliament's own attempts at a new draft treaty to deal with Community reform (Cameron, 1992: 54-6).

On 14 February 1984, the European Parliament adopted a 'Draft Treaty establishing the European Union' which had two major objectives. First, formation of a single text that included the three treaties that established the three European Communities and the areas which remained outside the scope of Community competence and were dealt with on an *ad hoc* basis, such as EMS and EPC. Second, making the decision-

making process more efficient and democratic. Even though the EP's Draft Treaty was sidelined for more conservative and less ambitious reform of the existing treaties, it still achieved in defining the term 'European Union' more clearly, speeded up the reform process of the Community, and served as an inspiration and set out the guidelines for the Single European Act (Schmuck, 1987: 210).

Three main reasons can account for the following turning of the tide in the Community, resulting in a new momentum for the relaunch efforts. Firstly, member states came to the realization that national responses to the prevailing economic crisis were not sufficient due to the growing interdependence of their markets, and the need for putting up a single front and greater liberalization grew. This newfound consensus was facilitated by the dominance of the centre or centre-right parties which ruled in most of Western Europe at the time (Young and Wallace, 2000: 92-3). These political parties, Christian Democrats in Belgium, the Netherlands, Italy, Denmark, Germany and Conservatives in the UK, advocated the neo-liberal idea that it was the markets forces, and not the governments, which were better placed to generate economic growth and Europe's road to recovery should start with eliminating the national barriers obstructing individual national economies and the European market. The only exception in this climate was France, where the Socialist Party of the President François Mitterrand was in office. However, by 1983, France had had to reverse its position due to increased inflation and unemployment caused by domestic state measures bordering on protectionism, which caused Socialist-led France to attach itself to European goals (Butler, 1986: 118).

Second, the imminence of Spain and Portugal's accession to the EC provided a renewed impetus for institutional reform and made deepening more attractive for reluctant member states like Britain. The Community was in a state of necessity to counterbalance its expansion with more efficient decision-making mechanisms and increase the Community's competencies. Member States were aware that failing to avert the prospect of an institutional paralysis before enlargement would make a deadlock even more likely after it occurred. Moreover, expanding the internal

domestic market with Portugal and Spain, which was considered large by European standards, convinced some states who were sceptical about further integration that a certain amount of deepening was compatible with widening so long as it brought economic benefits in the shape of better access to new markets (Preston, 1997: 148). The SEA initiative developed just as when Portugal and Spain were finalizing their negotiations and the accession terms had been more or less determined.

Lastly, the appointment of Jacques Delors as the President of the European Commission in January 1985 provided the catalyst for major change in the Community and the integration process. Delors embodied the European project with his expertise, persuasion skills and energy, and was able to push EC leaders into hard decisions. He became a vital player by exploiting the revival of interest in member states towards the relaunch of the Community and was considered the “most high-profile member of the European Commission since Walter Hallstein two decades earlier” (Ludlow, 2006: 228).

The culmination of these factors led to the June 1984 Fontainebleau European Council where François Mitterrand proposed the establishment of a committee to explore the ways to improve the functioning of the EC and the EPC. The establishment of the Ad Hoc Committee on Institutional Reform (also known as the Dooge Committee after its chairman, former Irish Foreign Minister James Dooge) was facilitated by the resolution of the British budget question and the remaining issues over the Iberian enlargement. Efforts over the reform of the Community's decision-making procedures was followed by calls for the completion of the single market program, which aimed to eliminate the fragmented nature of the common market and liberalize trade in services and the flow of capital. Delors entrusted the British commissioner responsible for the internal market, Arthur Cockfield, with the drawing up a plan for the removal of intra-EC barriers. This detailed plan took the form of a White Paper entitled 'Completing the Internal Market' (European Commission, 1985) and contained 300 (later reduced to 282) measures that would enable the completion of the internal market by 31 December 1992. The primary goal

of the White Paper was to lay down the conditions which would make market activities as easy to perform on a Community-wide basis as it was on a national basis. The Commission hoped to assist economic growth and promote employment and prosperity with the elimination of obstacles that fragmented the common market. Many of the White Paper's proposals were not new, as the EEC Treaty had already made the creation of an open European market its most important policy aim and some progress had already been achieved to this end. What made the White Paper effective, however, was that “it acted as a catalyst, defining the objectives capable of bringing together the range of different intentions; it came on the scene at the right moment; and it set precise deadlines” (Sidjanski, 1992: 113).

The Milan European Council in June 1985 took up the Dooge Report, which proposed the broadening of the Community's objectives and areas of competence, and institutional reforms in specific decision-making procedures, like the single market, to ensure the strengthening of the EC. At the same meeting, the White Paper on internal market was also endorsed and it was decided to establish an Intergovernmental Conference to negotiate and prepare treaty reforms. The decision to convene the IGC had to be taken by a simple majority vote, according to the Article 236 of the Treaty of Rome, in the face of opposition from Britain, Denmark, and Greece. However, with an almost complete turnaround from their anti-integrationist policies that equated the European Community to the United States, the PASOK government which came to office in 1981 began to support the idea of a single market. This remarkable change in Greece's foreign policy is usually attributed to two main factors: the possibility of receiving significant funds from the Community in the form of cohesion transfers, and the precarious situation of the Greek economy burdened with rising public deficit and loss of competitiveness among other issues. According to Maragakis, who argues the latter reason of political economic worries were the main motivators for PASOK's “embrace” of the European project, the single market program:

... was the 'lesser of all evils'. It gave the PASOK government the required autonomy to pursue a more stringent economic policy, satisfied certain producer interests and – with its promise of cohesion - it would give the government (unspecified) funds to compensate for the decreased level of public expenditure. These funds would enable the government to move towards increasing competitiveness and restructuring Greek production so as to adapt to the conditions of the Single Market.

(2005:14)

The biggest obstacle that might have had stood in the way of Greece's complete commitment to the relaunch of the Community was solved by the agreement of the big member states – Germany, France, and the UK – on providing the necessary funds for the requirements of the single market to Greece as well as to the accession countries of Spain and Portugal. In reality, the threat of a Greek veto to the single market program seemed very little, and Spain and Portugal, who shared Greece's cause in securing cohesion fund transfers, held little sway over Community decisions in spite of their informal involvement with the process before their accession.

Two separate groups provided the preparatory work for the IGC: the political directors, tasked with EPC, and a commission chaired by Secretary-General Jean Dondelinger dealing with the revision of the Treaty of Rome. The work was completed at the December 1985 Luxembourg summit, which brought these two dimensions of the negotiations, political cooperation and amendments, together in a 'single act'. The result was a new treaty which was signed on 17 February 1986 in Luxembourg and on 28 February in the Hague, and came into force in July 1987, after ratification difficulties in Ireland. The SEA enhanced the power of the European Parliament by introducing a cooperation procedure regarding the single market measures, in which the EP could demand an explanation from the Council of Ministers as to why its proposed amendments had not been adopted. The SEA also established an assent procedure, in which the Parliament's approval by an absolute majority was needed for certain legislative acts, like the Community budget and association agreements with third countries and organizations (Tsebelis, 1994: 128-42). The SEA made qualified majority voting (QMV) possible for some policy areas of research and development programs, social policy matters and regional funds.

However, the most important decision was that QMV was agreed for most of the measures “which have as their object the establishment and functioning of the internal market”<sup>5</sup> (except taxation, free movement of persons, and the rights and interests of employed persons). This last vital change was seen indispensable for the aim of completing the single market program by the 1992 deadline.

In the following sections, the *acquis communautaire* of the EC, which evolved due to the establishment of the single market and addition of new policy areas (the environment, economic and social cohesion, and research and technology) as a result of the Single European Act, shall be explained in detail.

### **3.1.1 The Single Market**

The creation of a single market, in which total freedom of movement was provided, had been at the heart of the Community's economic policy since the end of the Second World War (Ambrosi, 2004: 162). Trade liberalization with the OEEC and the founding of the ECSC were significant steps to achieve this goal but only with the establishment of the customs union and the common external tariff by the Treaty of Rome, the single market – or common market as it was called then – developed from a dream into a reality. The Treaty of Rome also set targets for the approximation of legislation among member states, who would obey a single regime of competition rules. The customs union foresaw the elimination of all tariffs and quantitative restrictions on trade between the years of 1958 and 1970, which was such a success that the customs union for goods was actually completed two years ahead of schedule on July 1, 1968. This achievement led to a period of prosperity and growth of European economies, where non-tariff barriers (NTBs) that segmented the common market into national markets went ignored. The Treaty of Rome allowed member states to impose restrictions on imports and exports of goods on health and safety, public security, equal rights, financial transparency grounds, and for other purposes so long as these did not obstruct trade by constituting “arbitrary

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5 Article 18 of the Single European Act, inserting Article 100a.

discrimination or a disguised restriction”<sup>6</sup>. Even though this arrangement seemed to have been designed with innocent reasons, it was used to protect national companies or firms against competition from other European rivals by making it harder for them to do business, without infringing EC law (Ambrosi, 2004: 164). These barriers had the “equivalent effect” of tariffs and quantitative restrictions, in the words of the Treaty of Rome, and took the shape of national administrative specifications for products, different health, safety and ethical requirements, divergent tax systems, charges for the inspection of certain imported goods, and national preferences in public procurement. The principle of fair competition got violated as divergent national standards meant the need to adapt products for each domestic market and go through a re-testing and re-certification procedure, which limited trade and priced manufacturers out of operating at the EC level (van Oudenaren, 2005: 120) .

The state of other three freedoms (services, capital, and people) was even worse as the weaknesses of the common market demonstrated itself with little cross-border competition, controls on transactions and at border crossings and airports (van Oudenaren, 2005: 120). When the European economy was experiencing surpluses in trade and drop in unemployment in the 1960s and early 1970s, there was little political willingness to complete the market by eliminating the remaining NTBs and realizing free movement of services, capital, and people.

The aforementioned circumstances of the 1980s convinced the member states that a renewed thrust was needed to guarantee the working of the market without any costs of doing business across national borders. It became evident that dismantling of tariff and quota barriers was not sufficient to achieve this aim and implementing the single program would require getting rid of the NTBs systematically, and harmonizing the rules governing the common market. Therefore, the SEA's main objective was to finish the job the EC started in 1968 with the common market, and adapt it to new technologies, new products, and new concerns over consumer welfare; hence, a series of measures were included in the Single European Act to ensure the free

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6 Article 30 of Treaty of Rome.

circulation of goods, services, capital, and persons, in addition to a 'new approach' to approximation of legislation.

***The free movement of goods:*** Article 100 of the EEC Treaty states that the Council shall “issue directives for the approximation of such laws, regulations or administrative provisions of the member states as directly affect the establishment or functioning of the internal market”. This approximation was followed as a total harmonization in the early phases of the integration process, which included the adoption of detailed and uniform rules for all member states. This proved to be an impractical approach, however, as the need for unanimity in the Council of Ministers for the Commission's harmonization measures impeded effective decision-making and the governments gave into pressures from their national industries for protection (Dashwood, 1977: 292). Because member states could not introduce tariffs or quotas, they used the Council for blocking harmonization efforts, or adopted NTBs as a deliberate attempt to ward off competition. In the 1980s, the Commission developed a new strategy to overcome this state of deadlock, which was based on the principle of mutual recognition and a less rigid 'new approach' legislation.

The European Court of Justice's (ECJ) 1979 *Cassis de Dijon* judgement was the breakthrough in advancing of the mutual recognition principle. The case was pursued by a German importer of a French liqueur which German authorities banned from being sold in Germany because it did not meet the minimum alcoholic content standards in German law. The Court ruled that Germany had acted illegally according to the provisions of the Treaty of Rome and that any product conforming with the standards of one member state could not be blocked from the markets of the rest of the Community, provided it met basic health, safety, environment, and public safety requirements (Alter and Meunier-Aitsahalia, 1994: 540-1).

The establishment of the mutual recognition principle spilt-over to the free movement of services and workers in the 1980s, offering a solution to the problem of different academic degrees and professional licence standards in the member states

(van Oudenaren, 2005: 124). More importantly, the ECJ's ruling also freed the Community from the necessity to having to draw up new detailed legislation for most European products.

For products whose norms were far too divergent to apply the mutual recognition principle as well as for many service sector, free flow of capital and people related issues, the Council adopted the new approach in May 1985. The new approach had three main aspects to overcome the obstructions to trade which arose from different national regulations. Firstly, the Commission limited its attention to only essential standards that deal with health and product safety, environment, and consumer protection, which broke the strict mould of harmonization in favour of approximation. Second, national legislation and standards on goods were gradually replaced by the technical specifications of European standards organizations like European Standards Committee (CEN) and the European Committee for Electrotechnical Standardization (CENELEC). Lastly, once a member state produced goods which were in conformity with these standards, and had the relevant certificates to prove their status, other member state governments had to recognize the common Community requirements and could not exclude them from their markets (Young and Wallace, 2000: 94). Since the signing of the Single European Act, approximation law has been much more widely-used in the sphere of free movement of goods; however, this trend has somewhat covered the services sector as well (van Oudenaren, 2005: 124).

Even though the use of mutual recognition and approximation of standards only on very essential basis suggests a deregulatory approach to the completion of the single market, the Community had to rely on total harmonization in certain sectors like pharmaceuticals, chemicals, motor vehicles, and foodstuffs as the risk of acting otherwise was far too high and the complexity of national legislation presented yet another barrier to trade. The single program thus used a mix of policies which were in accordance with the series of enlargements the Community went through, as every new member state brought new practices with them into the market and they had to

be accommodated by general principles and not detailed regulation (Preston, 1997: 148).

The common market foresaw the elimination of discriminatory taxing against imported products, which included the value-added tax and additional taxes on alcohol, tobacco, luxury goods, fuel etc. As the area of taxation was especially sensitive for national governments, they kept customs posts and checks on vehicles crossing their borders even after 1968, when the intra-EC customs duties had to be dismantled. The single market program chose not to utilize the full harmonization approach in tax policies, but instead attempted to find a common ground on which the biggest deviances that hindered the functioning of the single market could be removed. The standard VAT rate was set at no less than 15 percent and the reduced rate for variety of goods including foodstuffs, water supplies, pharmaceuticals, and medical equipments could not be less than 5 percent (European Council, 1992).

Public procurement was another problematic area, in which the common market could not operate efficiently. Because national governments and state-owned companies were major purchasers of big amounts of “high technology and high-priced capital goods such as aircraft, rolling stock, and telecommunications equipment, opening up public markets was vital to the success of the single market” (van Oudenaren, 2005: 126). Therefore, the single market program extended EC's policy domain to water, energy, transport, and telecommunications sectors, which were not included in the common market, and introduced more rigorous rules in the awarding of public contracts to ensure fair competition. Member states were obliged to open up all levels of government procurement to Community-wide competition and announce upcoming contracts in the official journal of the EC.

***The free movement of services:*** The Treaty of Rome established the two freedoms essential for the common market. Article 43 allows for the freedom of establishment by stating:

restrictions on the freedom of establishment of nationals of a Member State in the territory of another Member State shall be prohibited. Such prohibition shall also apply to restrictions on the setting-up of agencies, branches or subsidiaries by nationals of any Member State established in the territory of any Member State.

Article 49 allows for the freedom to provide services by prohibiting all restrictions that might inhibit its operation and this article also prohibits any discrimination based on the service provider's nationality without further European legislation. While the freedom of establishment ensures the uninterrupted economic activity of a person or a company in one or more member states on a permanent basis, the activities covered by the principle of freedom to provide services must be limited in time. However, before the single market program, the measures in the area of liberalization of services were mostly limited to the free movement of goods and even with the Single European Act, the mutual recognition principle was difficult to apply (Moravcsik, 1998: 354). Therefore, the Community had to develop detailed regulation to guarantee fair competition and to protect consumer welfare in the transport, telecommunications and banking sectors.

Transport became an important part of the Community *acquis* with the Single European Act as the completion of the single market allowed for the partial opening up of national rail, inland waterway, trucking, shipping, and air transport sectors to European competition (van Oudenaren, 2005: 161). The Council adopted a series of directives to eliminate the barriers to trade, starting with the controls on road and inland water transport which would no longer be performed as frontier-control but solely as part of the normal control procedures applied non-discriminatively effective on July 1, 1990 (European Council, 1989). In order to render rail transport efficient and to boost competition in railway services management, the Council passed a directive which required management of railway operation (trains) to be separated from the infrastructure management (tracks, signalling) and that these services to be run on a commercial basis. In addition, according to this directive, railway undertakings of other member states were allowed to run services on the infrastructure of any member state both for rail freight and passenger transport

purposes (European Council, 1991). Civil aviation was one of the most vulnerable sectors as the national governments normally had a tradition of financially supporting airway companies for prestige and to ensure the maintenance of their employment capacities, which led to the erosion of the fair competition principle (van Oudenaren, 2005: 127). The single market program did away with the requirement of approval from national authorities to set the prices of air transport, and left it to carriers to decide fares according to commercial criteria with a Council Directive adopted in 1987. The total liberalization of the Community's aviation sector was foreseen to have been completed by April, 1 1997, when any EC airline could run flights from a point in the Community's territory to any other destination also located in the EC as long as it met essential safety standards. The adoption of the transport *acquis* now involves upgrading the infrastructure in the acceding countries, protection of environment, ensuring safety, and maintaining standards for labour conditions for workers in the transport sector (Sapir *et al*, 2003: 38). Candidate countries have to develop corresponding regulations and guarantee their application to gain accession to the Community.

The Council Directive on the establishment of the internal market for telecommunications services through the implementation of open network provision (ONP), dated 28 June 1990, established basic principles for efficient access to telecommunications services on a fair competition basis. These principles govern technical interfaces and service features, supply and usage conditions and tariff principles, requiring ONP conditions to be based on objective criteria, be transparent, and guarantee equality of access without any type of discrimination according to the Community law. With this directive, the service providers of these networks, which were mostly state-owned entities like Telecom Italia, Deutsche Telekom, were obliged to allow access to firms from other member states if they wished to provide new services or compete with the previously special monopolies who had exclusive rights. On 13 December 1995, the European Parliament and the Council adopted the directive on the application of ONP on the opening up public voice telephony to competition after nearly five years on the single market program

agenda. The directive, which aims to establish interoperability of networks provided by various service organizations in one or more member states, came into effect on February 1, 1998. The gradual liberalization of the telecommunications sector led to the privatization of the post, telephone, and telegraph authorities in the member states.

The Second Banking Directive, adopted by the Council on 15 December 1989, aimed to guarantee freedom of establishment and to provide financial services in the field of credit institutions. It established only essential standards for banking licences throughout the Community and utilized the mutual recognition approach to allow for banks and other financial institutions to operate in all member states, provided that they have a valid licence from any EC member, whether by opening up branches or offering cross-border services. A similar directive had already been adopted by the Council in 1988 regarding professions which required a licence, such as medicine, law, and accounting. Previously, national governments issued licences on a strictly regulated basis, which made it difficult to provide services for professionals not working in their home country. With the single market program, member states were required to recognize diplomas and certificates of other member states on the basis of mutual recognition principle (van Oudenaren, 2005: 128).

***The free movement of capital:*** Until the Single European Act, little progress had been made in the area of removing obstacles to cross-border movement of capital, even though it had been foreseen in the Treaty of Rome. Liberalization occurred only to ensure the functioning of the common market according to the Article 67 (now abolished) of the Treaty and there was little political will to change the situation due to the reluctance of the national governments, who wanted to protect their currencies against dramatic changes in value (Ambrosi, 2004: 166). On 21 May 1986, the Commission adopted a Communication to the Council on the creation of a program for the liberalization of capital movements in the Community, which aimed to eliminate all national barriers to financial and currency flows. The Commission's program envisaged two stages to this end, first of which involved “progressive

dismantling of the existing derogations from the requirements applicable at Community level” (European Commission, 1986). This would then be extended to all acquisition and financial securities or bond-related transactions. In the second stage, the principle of full liberalization of capital movements would be extended to all monetary and financial flows, including the entire banking sector and financial transactions, meaning it would not cover merely commercial transactions. By the end of this stage, banks and insurance companies would be able to operate efficiently in other member states and compete for the financial services not situated in their home state. On 25 June 1988, the Council adopted a capital liberalization directive, which the member states had to comply with no later than 1 July 1990, except for Ireland, Greece, Spain and Portugal who were given transitional periods. The liberalization of the financial sector and capital movements facilitated the drive towards the Economic and Monetary Union.

***The free movement of persons:*** van Oudenaren argues that this area of the four freedoms of the Community may have been the most difficult to implement and establish regulation in the early years of European integration (2005: 129). The ECSC Treaty laid down some basic requirements on the free movement of workers but they only covered workers employed in specific sectors and not the workforce as a whole. The EEC Treaty extended the free movement and became the springboard for future developments. Article 39 of the Treaty recognized the right of workers to accept employment offers from an entity in another member state, to move freely within the territory of other member states for this purpose, and to remain in the state they had been employed in. The Article required the abolition of any discrimination based on nationality regarding employment, remuneration, and other work conditions. However, even the EEC Treaty fell short of extending the free movement to those who were not workers and the movement of labour force was hindered by submission to the national immigration laws and the necessity to obtain a work and residence permit to work in other member states, in addition to being subjected to divergent standards on vocational training qualifications and the barriers to starting a business by the self-employed (van Oudenaren, 2005: 129).

With the single market program, the rights of workers were extended by the principle of mutual recognition, which facilitated the acceptance of educational degrees and vocational qualifications in all member states, and by the harmonization of income tax provisions for the employed in another member state. The European Court of Justice had already been playing an important role in widening the freedom of movement to noneconomic categories in the 1970s, “by shifting its focus from the free movement of *workers* to the free movement of *persons*” (Baltoni, 2003: 8. Emphasis in the original). The ECJ put emphasis on the social dimension of free movement, which included integration to the whole society and not only to the workforce. In the framework of the single market program, the Council introduced three directives on 28 June 1990 on the right of residence for students (90/366/EEC), employees and self-employed persons who have ceased their occupational activity (90/365/EEC), and for all other nationals of member states who have sufficient means to live without being a burden on the social assistance system of the host member state and are covered by sickness insurance in respect of all risks (90/364/EEC). These directives also covered the families of these three categories of peoples.

The new entrants to the European Community, however, was subjected to transitional periods by the member states on the freedom of movement of workers. This integral part of the functioning of the single market would apply only as from 1 January 1993 for both Spain and Portugal, and could be maintained until 31 December 1995 in the case of Luxembourg. The Treaty of Maastricht developed the right of free movement further by introducing the concept of 'citizenship to the European Union' and made it a more political and identical right.

The improvements for the completion of the single market envisaged by Lord Cockfield's White Paper is summarized in Table 3.1 below. The elimination of obstacles in the four freedoms and controls on state subsidies opened the way of fair competition in the Community's internal market, which made it possible to realize main economic targets of the Treaty of Rome:

The mission of the Community is to promote the harmonious development of economic activity throughout the Community, along with a constant balanced expansion, an increased stability, an accelerated improvement in living standards, and closer relations between member states; this is to be done by the establishment

of a common market and by a progressive drawing together of the economic policies of member states<sup>7</sup>.

**Table 3.1 The White Paper on the single market: a taxonomy**

<b>Markets for: Measures to regulate</b>	<b>Products</b>	<b>Services</b>	<b>Persons &amp; Labour</b>	<b>Capital</b>
Market access	Abolition of intra-EC frontier controls  Approximation of:  *technical regulation *VAT rates and excises  Unspecified implications for trade policy	Mutual recognition & 'home country control', removal of licensing restrictions (in banking and insurance)  Dismantling of quotas and freedom of <i>cabotage</i> (road haulage)  Access to inter-regional air travel markets  Multiple designation in bilaterals (air travel)	Abolition of intra-EC frontier checks on persons  Relaxation of residence requirements for EC persons  Right of establishment for various highly educated workers	Abolition of exchange controls  Admission of securities listed in one member state to another  Measures to facilitate industrial cooperation and migration of firms
Competitive conditions	Promise of special paper on state aid to industry  Liberalization of public procurement  Merger control	Introduction of competition in air transport  Approximation of fiscal and/or regulatory aspects in various services markets	European 'vocational training card'	Proposals on takeovers and holdings  Fiscal approximation of:  *double taxation *parent-subsidiary links

<sup>7</sup> Article 2.

Market functioning	Specific proposals on R&D in telecoms and IT  Proposals on standards, trade marks, corporate law, etc	Approximation of:  *market & firm regulation in banking *consumer protection in insurance  EC system of permits for road haulage  EC standard for payment cards	Approximation of:  *income tax provisions for migrants *various training provisions  Mutual recognition of diplomas	European economic interest grouping  European company statute  Harmonization of industrial and commercial property laws  Common bankruptcy provisions
Sectoral policy	CAP proposals:  *abolition of frontiers *approximation of mutual recognition in veterinary and phytosanitary policies  Steel: *call to reduce subsidies	Common crisis regime in road transport  Common air transport policy on access, capacity and prices  Common rules on mass risks insurance	Largely silent on labour-market provisions	Call to strengthen EMS

Source: Young (2005: 99).

The efforts to complete the single market did not stop with the Single European Act and its immediate aftermath. On 19 December 1996, the Council adopted a directive on the common rules for the internal market in electricity, which aimed to open up national electricity networks to competition by setting rules on calls for tender and the granting of authorizations. A similar development also occurred in the internal market for natural gas as the Council and the Parliament adopted a directive on 22 June 1998, which foresaw the opening of the market equal to at least 20 percent of the total annual gas consumption. This percentage was scheduled to rise to 28 and then to 33 in five years and twenty years respectively.

The importance of the single market was made clear once again in the Eastern enlargement of the European Union in the 1990s, when after prolonged negotiations these formerly socialist countries entered the EU. These nonmarket states were granted no transitional periods, like they were in the environmental and social policies, but were required to participate in the single market as soon as they gained entry. The free movement of labour was the only exception to this rule, the reason being the reservations of the member states about unemployment and immigration, however, and not accession countries' capacities to handle the transition.

The effects of the free flow of products, services and peoples spilled over to other policy areas of the Community which had been long on the agenda but never had the kind of attention and momentum the single market had starting from the mid-1980s. Bigger emphasis was put on a tough competition policy as entrepreneurs became concerned with fair operating ground in an era of open market access. Regional and cohesion policy also got a boost with the demands of the poorer member states for compensation in return for their acceptance of the single market program. The tightening of intergovernmental ties between member states and the Community's return to the world stage as a major economic force led to the establishment of common foreign and security policy and justice and home affairs with the Maastricht Treaty. The interdependence of European economies facilitated deeper integration of economic policies and made the necessity of a monetary union apparent as the next logical step in the evolution of the European Community (Young and Wallace, 2000: 110).

### **3.1.2 Environmental Policy**

The Single European Act brought a social dimension to the Treaty of Rome, which was essentially founded on economic development. The postwar years of Europe, which required the reconstruction of the continent, contributed to the place of research and technology, and social cohesion on the margins of European integration project. Environment was also not considered important enough to be mentioned in the EEC Treaty and was largely neglected until the 1970s, when the general public

started to become aware of the harmful effects of industrial growth, unplanned urbanization and exhausting farming (McCormick, 1998: 191-2). The Heads of State and Government required the Commission to draw up an action plan on environment at the Paris summit of October 1972, after awareness and the concerns about possible distortions of the common market due to different regulations of member states on environment grew in the Community. The Commission presented the first European Environmental Action Programme (EAP) for the 1973-1976 period in 1973 with the realization that Europe's environmental pollution was a transboundary problem which needed collective response. The first EAP defined the general principles of the Community's environmental policy such as sustainability, prevention, the polluter pays and action at source, which remain valid to this day (Lenschow, 2005: 306; Nugent, 2010: 346).

In the period between the Commission's environmental plan and the adoption of the SEA, the EC developed legislation on a variety of green policies covering the pollution of air, water, and soil, car emissions, waste management and recycling. However, the difficulty of reaching agreement and passing regulation on environment rose due to the recession in Europe after the mid-1970s, and the Commission had to resort to proposing measures as single market requirements. In the absence of any explicit treaty basis for environmental policy, Article 100 of the Treaty of Rome on the establishment and functioning of the common market provided a solution for the development of the policy area by acting as market regulation to eliminate non-trade barriers. Article 235 of the Treaty of Rome also allowed the adoption of further environmental legislation on the basis that the Council could take appropriate measures in all areas in line with the aim of operating the common market (McCormick, 1998: 192).

The Single European Act established a legal basis for the environmental policy for the first time, with the Article 100a recognizing the Community's competence to adopt measures relating to the protection of environment or the working environment that affect the functioning of the single market, and the Article 130 r-t established the

environmental policy in its own right and defined its objectives. These objectives were preserving, protecting and improving the quality of the environment, protecting human health, and prudent and rational utilisation of natural resources. The Maastricht Treaty added a fourth objective, which was promoting measures at international level to deal with regional or worldwide environmental problems. The text of the SEA met concerns of some member states about the Community's expanding role in environment and stated that the EC action shall consider available scientific and technical data, different regional situations, and potential benefits and costs of action or lack of action (Sidjanski, 1992: 118-9). The SEA included the principle of subsidiarity<sup>8</sup> and the coordinating role of the Community on the environmental policy, and it complemented the national policies by providing a minimal level of protection which member states had the right to increase as long as these measures did not distort the single market. Qualified majority voting and the cooperation procedure with the Parliament applied to the single market-related measures of the environmental legislation while unanimity in the Council was required for all other regulation (Haigh, 1992: 2-3). The end of the informal status of the environmental policy led to the proliferation of *acquis* in this area, and in less than two decades 300 environmental directives and regulations were in place. The Maastricht Treaty of European Union in 1992 and the Treaty of Amsterdam in 1997 expanded the applicability of the qualified majority voting and the co-decision procedure, and established new environmental legislation (Table 3.2).

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<sup>8</sup> The Community should act to the extent which the objectives can be better attained at Community level than at the level of individual member states (Corbett, 1987: 249).

**Table 3.2 Key treaty changes and policy decisions affecting environmental policy-making**

Treaty base	Key policy decisions
<p>Until 1986 no explicit treaty basis for environmental policy exists</p> <ul style="list-style-type: none"> <li>• Article 100(EEC) on the single market and the catch-all Article 235 (EEC) provide legal foundation for first environmental legislation</li> </ul>	<p>1967: 1<sup>st</sup> Directive on classification, packaging, and labelling of dangerous substances (67/548)</p> <p>1970: Directive establishing a framework for measures to combat air pollution from motor vehicles (70/220)</p> <p>1973: Launch of first European Environmental Action Programme</p> <p>1979: Birds Directive on the protection of birds and their habitats (79/409)</p> <p>1980: Directive setting minimum standards for drinking water (80/778)</p> <p>1985: Directive requiring environmental impact assessments, especially for large development projects (85/337)</p>
<p>1987: Single European Act in force</p> <ul style="list-style-type: none"> <li>• New environmental policy title introduced, with unanimous voting in the Council</li> <li>• Article 100a (EEC) on the single market cites environmental regulation explicitly; this article allowed for QMV</li> </ul>	<p>1988: Directive to limit emissions from large combustion plants (88/609)</p> <p>1989: Directive about the harmonization of programmes to reduce waste from the titanium dioxide industry (89/428)</p> <p>1990: Directive on public access to environmental information (90/313)</p> <p>1991: Directive on controlling the pollution through urban waste water (91/271)</p> <p>1992: Habitats Directive on the conservation of natural habitats and wild flora and fauna (93/43)</p>
<p>1993: Treaty on European Union</p> <ul style="list-style-type: none"> <li>• QMV is extended to most, though not all areas of environmental policy</li> <li>• Co-decision-making with the EP is introduced for measures linked to the internal market</li> <li>• Concept of sustainable growth respecting the environment, the precautionary principle and the principle to integrate environmental objectives in all non-environmental policies</li> </ul>	<p>1994: Establishment of the European Environment Agency</p> <p>1994: Directive on limiting the volume and increasing the recovery of packaging waste (94/62)</p> <p>1994: Regulation implementing the Montreal Protocol of the Vienna Convention on the protection of the ozone layer (3093/94)</p>

<b>Table 3.2 (continued)</b>	
	<p>1996: Directive on integrated (cross-media) pollution prevention and control (96/61)</p> <p>1996: Framework Directive on air quality, consolidating earlier typically substance-specific directives on air pollution (96/62)</p>
<p>1999: Treaty of Amsterdam</p> <ul style="list-style-type: none"> <li>• Concept of sustainable development; strengthened commitment to integration principle</li> <li>• Co-decision-making for measures adopted under Article 174</li> </ul>	<p>2000: Framework Directive on water, consolidating earlier directive dealing with water pollution (2000/60)</p>
<p>2003: Treaty of Nice</p> <ul style="list-style-type: none"> <li>• Raises the threshold for reaching qualified majority</li> </ul>	<p>2003: Directive establishing a scheme for greenhouse emission allowance trading within the Community (amending a 1996 Council directive) (2003/87)</p> <p>2003: Directive restructuring the Community framework for the taxation of energy products and electricity (2003/96)</p> <p>2004: Directive to establish a framework for environmental liability based on the polluter-pays principle</p>

Source: Lenschow (2005: 310-1).

The development of the environmental *acquis* with further enlargement of the EC created a group of leading countries in this area, which included richer, northern member states like Denmark, Germany, the Netherlands and Sweden, and a group of laggards which either did not have the funds to apply stricter standards or had other priorities to consider. This group largely consisted of poorer, southern states who became members of the Community in the 1980s, Greece, Spain and Portugal, and the Central and Eastern European countries, who hoped to become members (Sbragia, 2000: 293). Even though the Community attempted to mollify the increasing divide between these two set of countries in the 1981 and 1986 enlargements by especially funding environmental investments and launching the Cohesion Fund in 1993, which allocates half of its budget on environmental projects. The CEECs were not so lucky, however, as their environmental problems were too substantial to be funded by the Community budget, and the environmental *acquis*

was more comprehensive than at the time of the EC's southern enlargement. The Commission estimated that cost of all investments needed to comply with the requirements for drinking water supply, wastewater management, large combustion plants, and waste management were around 120 billion € for the candidate countries (2001). The European Union was against paying this money and the candidate countries did not have the investment capacity to afford it, especially when they also had the Maastricht criteria to think about. The EU either had to compromise on the transitional arrangements it would grant to the acceding states or delay the enlargement until the relevant environmental *acquis* was in place, which could take more than a decade.

The EU solved this dilemma by dividing the *acquis* into two parts: on the one hand were the measures and legislation which had direct effect on the functioning of the single market; and on the other were policies which were not market-related. The first set of rules had to be complied with from the date of accession as the EU's stance on the internal market was inflexible. These included marketing and labeling standards, and control of chemicals and vehicle emissions. The second category was mostly comprised of measures which required long-term public investment and did not have big implications for the market; thus candidate countries could adopt and implement them after they acceded to the EU and in the time period they were granted by the member states. This set of measures included various air pollution directives, provisions on recovery and recycling of packaging, and treatment of urban waste.

### **3.1.3 Economic and Social Cohesion**

The objective of economic and social cohesion was introduced with the Single European Act in 1986 but its development goes back to the 1972 Paris summit, where the Heads of State and Government of member states agreed to establish a cohesion policy designed to reduce structural disparities between regions, foster balanced development and resources throughout the EC, and promote equal opportunities for all. The cohesion policy became especially important in the 1980s

as the Community embarked on the single market program and expanded to Greece, Spain, and Portugal who were lagging behind other member states on per capita income terms. The concept of cohesion gained prominence in the SEA negotiations as the fears of effect the single market would have on peripheral economies like the Mediterranean and Ireland grew. The Community lacked corrective policies which could soften the blow of trade liberalization threatening the sustained development of weak regions as these regions (Greece and Southern Europe) were also home to the vulnerable, labour intensive industries (Zeff, 2004: 181).

In line with the increased urgency for “redistribution” of common market benefits, the Single European Act codified the cohesion policy and considered it as a factor to be taken into consideration when making of other EC policies such as trade, transport and the environment. This growing importance of the cohesion policies was one of the dimensions of the grand bargain which made the SEA possible as the poorer EC member states now held the power of asking increased amount of financial benefits in return for economic integration (Moravcsik, 1998: 65). After becoming members of the Community, these laggard countries, often headed by Spain, threatened on more than one occasion to block EC policy initiatives unless granted larger cohesion payments from the Community budget. One such instance was the Economic and Monetary Union when the convergence criteria proved to be far too costly for the four traditional recipients of cohesion funds and a deal had to be struck for their agreement in exchange for more aid. The policy was finally incorporated into the EC Treaty itself (Articles 158 to 162) with the Maastricht Treaty.

With the German unification after the fall of the Berlin Wall, Germany became less inclined to fund EU's cohesion policy and the economically weaker member states, concerned that they would have to compete with the Central and Eastern European countries for cohesion funds, threatened to veto the enlargement if it would mean a decrease in their aid levels. These conditions, in addition to the scale of the Eastern enlargement and the backwardness of the accession countries, contributed to the less than favourable distribution of funds to the countries which needed them even more

than Greece, Ireland or Spain. The aid for regions in the then member states was set at €26.660 billion in 2006 when the CEECs was granted only half of that amount (van Oudenaren, 2005: 181) and the European Commission estimated that “after applying the capping at 4% of GDP as stipulated in the Community *acquis*, the aid per capita for structural expenditure in favour of the new Member States would attain €137 per capita in 2006” which compared to an average of €231 for the four cohesion countries (2002a).

The social policy did not get much attention in the Single European Act negotiations, save for proposals from the Danish government about developing some minimal standards for safety and health at work. The SEA thus included a new Article 118A based on this proposal, which committed the EC to improve and harmonize national health and safety criteria in the working environment, and it aimed to promote dialogue between business and labour at the European level. The real breakthrough in the social policy area came with the Maastricht Treaty.

#### **3.1.4 Research and Technology Policy**

Even though there was no mention of this policy area in the Treaty of Rome, in the 1970s there were concerns about the EC member states' lack of innovation in advanced sectors such as high-technology products. The new title 'Research and Technological Development' gained treaty basis with the Single European Act and was strengthened in 2010 with the Treaty on the Functioning of the European Union, where the EU set to achieve a European research area in which researchers, scientific knowledge and technology circulate freely and encourage the Union to become more competitive. The research and technology policy is carried out by managing and funding research activities, and developing the type of climate in which EU-prioritized research can thrive.

### **3.2 The Maastricht Treaty**

The Single European Act left certain circles in member states and the Community institutions unsatisfied with the degree of integration it introduced. The 1980s was an exciting decade for the EC with the completion of the single market and the Iberian enlargement but there was a growing feeling that the Community did not realize its political union ambitions, and the economic and monetary union, as envisaged by the Werner Plan of the 1970s, had been abandoned due to the grim economic landscape of recession in Europe (van Oudenaren, 2005: 51). However, the SEA's success revived the interest in finally establishing a convergence of monetary policies and the determination to resolve the long-standing issues of the Community. Member states became optimistic about the possibility of a single currency, as the next logical step of a single market, after a largely successful experience of Exchange Rate Mechanism (ERM) of the European Monetary System (Verdun, 2000: 93).

The learning that had occurred with the single market program made member states realize that full benefits of the single market, especially the free movement of capital and liberalization in financial services, would never be realized so long as member states had divergent monetary policies and currencies (Verdun, 2000: 95). The increasing economic interdependence due to the functioning of the single market brought cross-border transaction costs to the attention of the business owners and the public alike, making exchange rate stability a top priority for the Community (Chang, 2004: 185). The Commission, led by Jacques Delors who had always been a staunch supporter of further integration, capitalized on the stimulus provided by the relaunching of the EC with the Single European Act and made EMU its next building block to achieve complete freedom of movement in the single market sphere (Watson, 1998: 279). Member states like France, Italy and the Benelux countries were also interested in EMU as it would give them more voice in the decision-making process of monetary policies that they had lost due to the dominance of German authorities in making policies for EMS countries (Sandholtz, 1993: 29). Germany was concerned with the Community's democratic deficit problem which was not addressed properly with the SEA, even though it strengthened the presence

of the European Parliament. The EC's competence over new areas was growing constantly but the actors who drove the integration process were mostly democratically unaccountable for their decisions. German Chancellor Helmut Kohl was worried that this growing deficit would lead to the disenchantment of the voters with the European project, and argued that the new steps for further integration should not be limited to economic and monetary union and be accompanied by efforts to realize political union.

The Hanover European Council in June 1988 authorized the establishment of a committee, chaired by Delors himself and comprising of central bankers from every member state and three academics, to develop a plan that would lead to economic and monetary union. The so-called Delors Committee delivered its report at the Madrid European Council in June 1989, which was based on Werner Plan's deliberations and proposed a three-stage move to EMU. Each of these stages would require new structures as establishing a single currency area necessitated common institutions, which could be controlled democratically but would still mean loss of national sovereignty over economic and monetary policies. Member states had barely had time to consider Delors Report's recommendations when the Soviet Union collapsed and Europe was thrown into disarray with the consequences of the break-up of the communist block. This monumental change in the political scene reinforced the case for EMU and added more explicit political dimension to integration (Baun, 1996: 156-60).

The reunification of Germany, which officially took place in October 1990, lent new urgency to the monetary union project as the framework which had provided the preconditions for the integration of the European Community disappeared. The looming Soviet threat had been an incentive to keep Western Europe together with closer integration, and the division of Germany had ensured a balance of powers with France by creating two states similar in size and making Europe a point of reference for West Germany. The fall of the Berlin Wall raised questions about the future trajectory of Germany and the Community at large, leading François Mitterrand to

conclude that the EC had to advance the integration process to anchor Germany in the West and guarantee its commitment to further deepening (Sandholtz, 1993: 32-3). This was supported by Delors and, more importantly, Kohl who believed Germany had to show signs of intent about its European vocation, even though he was aware that the German public would not be best pleased with the abandoning of Deutsche Mark (Garrett, 1993: 105-23). Economic and monetary union thus became the means to an end in this process, the end being further deepening of the Community to accommodate a larger and more powerful Germany and consolidating the EC in a transforming Europe. The June 1989 European Council in Madrid had already decided that Stage 1 of EMU would begin in July 1990 and that an Intergovernmental Conference should be convened before Stage 2 and 3 could be discussed and incorporated into the EEC Treaty. The Strasbourg European Council of December 1989 agreed to an IGC on economic and monetary union which would begin in December 1990, and adopted a social charter to mitigate and counterbalance the deregulatory effects of the single market program by introducing some labour standards.

On 19 April 1990 Kohl and Mitterrand issued a joint letter to the Irish Presidency of the EC in which they urged for the acceleration of the political construction of the Europe of the Twelve in the face of completion of the single market and the progress towards EMU. They expressed their desire to see the Dublin European Council decide to initiate preparations for an IGC on political union with the objective of strengthening the democratic legitimation of the union and defining and implementing a common foreign and security policy to meet the challenges caused by the changes on its eastern borders (Agence Europe, 1990). Kohl and Mitterrand also stated their wish to see this IGC on political union run in parallel with the IGC on EMU, which was granted at the June 1990 European Council in Dublin. Therefore, both intergovernmental conferences opened at the Rome summit in December 1990, even though IGC on EMU was carefully prepared by the Commission with the Delors Report, and the short notice at which political union conference convened left little time for elaborate preparations.

These IGCs met throughout 1991 and the progress of negotiations were held up by Britain's unwillingness to accept monetary union or the European Social Charter under any circumstances. Therefore EMU represented a “precedent for European integration: the existence of an 'opt-out' from a common policy” (Heisenberg, 2006 : 240) and Britain was not required to commit to the single currency which was the Stage 3 of EMU, but could do so in the future if it wished. The negotiations culminated at the December 1991 Maastricht European Council with the signing of Treaty on Europe Union (TEU), one of the most innovative achievements of the Community and the most extensive revision of the founding treaties (McNamara, 2005: 142). The Treaty went beyond the Community's original objective of economic development and cooperation, and embraced political integration by setting establishment of economic and monetary union, development of Community's social dimension, formation of common foreign and security policy, criminal and domestic affairs and European citizenship as its key goals.

At the heart of the Maastricht Treaty was the creation of a new entity called the European Union, based on three pillars. The first pillar was the European Community, consisting of three supranational Communities – the EC, the ECSC, and Euratom – in which member states share their sovereignty with the Commission, the Council of Ministers, the Parliament, and the ECJ, and transfer decision-making powers to these institutions. EMU would be in the first pillar but also require the involvement of European Central Bank and the national central banks of the member states in the decision-making process. The second pillar established the common foreign and security policy (CFSP) replacing the European Political Cooperation, which gained treaty basis with the Single European Act.

The Maastricht Treaty strengthened SEA by specifying that member states and the EU shall define and implement a common foreign and security policy which includes all questions related to this area. This pillar was of an intergovernmental nature, requiring unanimity of member states in decision-making, which meant a limited role for the Commission and the EP, and no jurisdiction for the Court of Justice. The third

pillar concerned cooperation in the field of justice and home affairs (JHA), including asylum policies, control of external borders, immigration and residence rights of third-country nationals, combating drug addiction and international fraud, police and judicial cooperation in serious crimes like terrorism and drug trafficking. The decision-making would also be intergovernmental, similar to the CFSP process.

The Maastricht Treaty continued with the trend of Treaty of Rome and SEA, and strengthened the powers of the European Parliament by establishing the co-decision procedure. Unlike the cooperation procedure introduced by the SEA, the co-decision power of the EP could not be ignored by the Council, and the EP gained the right to veto legislation proposed by the Commission and passed by the Council of Ministers. The Parliament's co-decision power was not unlimited but included the internal market as one of its applicable policy areas, which gave the EP a more important legislative function. The Treaty also established a Union citizenship and every national of a member state became a citizen of the European Union as well. With the Maastricht Treaty, the sphere of citizenship widened to include the rights of freedom and residence anywhere in the territory of the member states to EU citizens, right of an EU citizen to be represented by the consulate of any member state while in the territory of third states, and the right to vote and to run for the elections of the European Parliament and local government to any citizen of the Union residing in another member state of the Community. The Treaty contained a revision clause calling for an intergovernmental conference to be held in 1996, which would review the consolidation of the Union and clarify some of its provisions.

Ratification of the Maastricht Treaty was not at all smooth sailing as the Community was shocked by the rejection of the treaty by the voters in Denmark in a referendum held in June 1992. Only after Denmark negotiated an opt-out from moving to the third stage of EMU, did the Danish public endorse the Treaty in a second referendum held in May 1993. The Maastricht Treaty was challenged in the German Constitutional Court on the grounds that it infringed the country's constitution by transferring powers of the German states to the Community. The case was dismissed

in October 1993 and the Treaty finally came into effect on 1 November 1993, ten months later than originally planned (Moravcsik, 1998: 379).

### **3.2.1 Economic and Monetary Union**

The Treaty of Rome did not set the objective of creating a single currency or a common monetary policy for the Community, although it recognised the importance of coordinating macroeconomic policies of the member states through the Monetary Committee. Therefore, monetary affairs remained in the national policy domain, handled by national central banks and ministries of finance, and by the International Money Fund's (IMF) Bretton Woods exchange rate system on the international level. When this system began to falter in the 1960s due to the instability of the dollar and the US's increasing involvement in the Vietnam War, the Community's own achievements in the shape of the newly established customs union and the common agricultural policy were thrown in danger. Exchange rate fluctuations threatened to disrupt trade in the interdependent and open economies of the member states as calculating prices and negotiating contracts across borders would become more difficult. This period of uncertainty also halted the progress towards the free movement of capital, which was one of the four freedoms envisaged in the Rome Treaty.

These developments led to the first ambitious attempt to achieve EMU at the Hague European Council in December 1969, where other important steps were being taken for further integration with the introduction of new Community policies such as the launch of the foreign policy cooperation, fisheries and regional development. This momentum for deepening was mostly due to the upcoming first enlargement of the Community after the applications from Britain, Denmark, Ireland and Norway, and the Hague summit became the frontrunner of the classic Community method of a package deal that would accompany a projected widening that had the potential to undermine the Community's identity and economic convergence (Preston, 1997: 30-2). Hence the establishment of EMU was not only necessary for the maintenance of the two crucial policies of the EC, but also had a political dimension which

represented the determination to achieve ever closer union. The Heads of State and Government of the six EC countries appointed Luxembourg Prime Minister Pierre Werner to chair the committee which would explore the feasibility of a common monetary policy with a single currency.

The Werner Plan foresaw the completion of EMU by 1980 in three stages. The first stage, which would begin in 1971 and last three years, called for a reinforcement of the coordination of national economic policies with the aim of preventing dramatic exchange rate fluctuations. In the second stage, a monetary cooperation fund which would then evolve into a European Central Bank would be created to provide balance of payments to member states against the devaluation of their currencies. In the final stage, which would begin by 1980, exchange rates of member states would be irrevocably fixed and member states would transfer their power of monetary policy to a system of European central banks (1970: 10-1). However, unlike the Delors Report which formed the basis of the Maastricht Treaty's agreement on EMU, the Werner Report lacked specific policy goals or criteria and did not define its institutional characteristics clearly (Loedel, 1998: 257). Therefore, even though it was endorsed on 22 March 1971, it was never implemented, and the deteriorating economic circumstances of the time which were largely caused by the collapse of the Bretton Woods system made economic convergence even more difficult to achieve.

In the absence of a fixed exchange rate regime, the EC countries attempted to stabilize their regional currency and protect themselves against the international trends (Watson, 1998: 280). In response to the Smithsonian Agreement, in which the G-10 countries including the United States and Japan decided to allow their currencies to fluctuate against each other at a rate of no more than 4.5 percent, the EC six agreed to create a mechanism – the so-called snake in the tunnel – in March 1972 for the managed floating of currencies at 2.5 percent (the snake) within narrow margins of fluctuations against the global 4.5 percent (the tunnel). Even though the 'snake in the tunnel' was the first real attempt of the Community to establish a European monetary cooperation, it had no treaty status – having been established as

an *ad hoc* agreement among the member states – and it broke down in March 1973 after the oil crisis and the US decided to float the dollar freely. As the member states started to hold divergent views on how to combat the stagflation it followed, the commitment to achieve monetary union became impossible to follow (Loedel, 1998: 244).

The idea that the Community could launch a fully-functioning common monetary policy with a single currency seemed feasible in the 1960s because of the economic boom and currency stability this decade enjoyed. By the early 1970s, the situation had completely changed but there was still a growing sense that something had to be done. The Commission President Roy Jenkins provided the revival for the EMU project with a proposal for the creation of the European Monetary System in October 1977. With the support of French President Giscard and German Chancellor Schmidt, whose country experienced a relative success and stability with the maintenance of price stability amidst the economic crisis of the 1970s, the EMS was founded in March 1979. This new plan was considerably less ambitious than the full EMU envisaged at the Hague summit but it provided the Community with stability throughout the 1980s when the dollar was going through several wild fluctuations (van Oudenaren, 2005: 202).

In this system, exchange rate of all participating states were fixed against the European currency unit (ecu), an artificial accounting unit calculated on the weighted average of member state currencies. A grid of bilateral rates was calculated on the basis of these central rates expressed in ecus, and currency fluctuations had to be contained within a margin of 2.25 percent (except Italy who was granted a margin of 6 percent). This system, based on fixed currency exchange rate margins, was called the Exchange Rate Mechanism and provided the Community's monetary policy with a central structure of some extent, along with the ecu and a common reserve fund to enable market intervention. The participation to EMS was not mandatory and Britain chose not to get involved, while the Mediterranean countries of Greece, Spain and Portugal were still trying to adjust to the requirements of the common market and

had doubts that they could cope with the EMS. Spain and Portugal joined the ERM in 1989 and 1992 respectively, and Britain entered the ERM in 1990 (at a 6 percent margin like Spain and Italy) while Greece struggled with its high inflation rate and became the only member state outside the ERM. Even though EMS was unstable in the first years of its existence, France's adherence to European economic policies after its socialist experiment under Mitterrand, along with Germany's support, helped the system weather the storm (Moravcsik, 1998: 381). As proven by its expanding membership, EMS' success in exchange rate stability paved the way for the revival of plans for full EMU in the late 1980s by achieving much of the convergence originally aimed with the Werner Report.

As explained in the previous subsection, EMS' success, SEA's momentum which included a reference in its preamble to the Community's commitment to economic and monetary union in 1969 and its amendment to the Rome Treaty in the shape of a new chapter on 'Cooperation in Economic and Monetary Policy', as well as the consensus among national leaders of the member states on the benefits of monetary integration led to the proposals in the Werner Plan coming on to the agenda. Therefore, the EC began to take the first official steps to full EMU, when the single market program was being applied, with the establishment of the Delors Committee at the Hanover European Council, whose proposals covered the most fundamental issues that were discussed at the IGC on EMU. Even though the Delors Report on EMU did not call for the creation of the single currency, the main aim of the monetary union was the fixing of the exchange rates irrevocably at the latest stage of the Delors Report's three-stage plan, and the establishment of a European Central Bank, to which member states would transfer their control over monetary and economic policies. The first stage of the Delors Plan was approved at the Madrid European Council in June 1989 and the process duly started at the beginning of July 1991 and ended on 31 December 1993. This phase involved the liberalization of capital movements, participation of all member states to the ERM and agreeing to place their currencies in this narrow band (Delors, 1989: 30-3). The Maastricht Treaty defined the main features of EMU, and set the conditions and timetable for

Stage 2 and 3, which would end in participating member states adopting a single currency. Hence, the objective of economic and monetary union gained a treaty basis and its regulations were enshrined in the *acquis communautaire* after years of being governed on an *ad hoc* basis.

Stage 2 of EMU began on 1 January 1994 in conformity with the decision taken at Maastricht and lasted exactly four years. This phase consisted of convergence of economic policies among the member states and strengthening of cooperation between national central banks, implementation of measures to ensure the independence of central banks which would become members of the European System of Central Banks (ESCB), introducing bans on the financing of government debt by the central banks, and the establishment of European Monetary Institute (EMI) which would carry out the technical preparations for the introduction of the single currency. The arguably most difficult part of Stage 2 was the convergence criteria, which the member states had to meet in order to qualify for the Stage 3 of the EMU process. These criteria concern price stability, government finances, participation in the exchange rate mechanism of the EMS, and stability in exchange rates. Price stability criterion requires the inflation rates of member states to be within 1.5 percentage of the three best-performing member states in terms of price stability. Government finances criterion requires member states to not have excessive deficit, which means an annual budget deficit of less than 3 percent or less of GDP and a total government debt not in excess of 60 percent of GDP. Exchange rate participation required member states to have been in ERM for two years before entering the Stage 3 of EMU without serious tensions in its currency rate or devaluation. Convergence of long-term interest rates is defined as not exceeding the nominal long-term interest rate of the three best-performing member states by more than 2 percent (Delors, 1989: 33-5). However, it soon became clear that most member states could not meet the criteria, pushing the likes of the Netherlands, Ireland, Spain and Portugal to go through a process of restructuring, and Italy to levy a special 'European tax', to lower public debt and budgetary deficit (Verdun, 2000: 105).

The final stage of EMU started on 1 January 1999 with eleven states – every member except Greece – being selected to adopt the single currency in a special European Council meeting in May 1998 due to their achievement in meeting the convergence criteria (European Commission, 1998a: 3). Stage 3 involved the value of the ecu, later named the Euro by the European Council, being fixed irrevocably and the creation of an independent European Central Bank (ECB) which would manage the new currency, replacing the EMI, and would be a part of the ESCB (Delors, 1989: 35-6). Britain used its opt-out choice, while Denmark again rejected the adoption of Euro in a referendum held in September 2000. Greece was finally able to become the twelfth member state to join the final stage of EMU, having achieved to lower its inflation rate and make considerable progress in meeting the convergence criteria, which was later discovered to be with the help of false figures (Heisenberg, 2006: 246). The most visible and final phase of EMU started with the introduction of Euro notes and coins, and phasing out of national currencies in the twelve participating states on 1 January 2002. The withdrawal process had been completed by 28 February 2002, with little to no technical glitches (van Oudenaren, 2005: 217). Of the three countries who joined the EU with the EFTA enlargement only Sweden had opted to remain outside the eurozone at the start of the Stage 3, and the voters reiterated their rejection of the single currency in a referendum held in September 2003 despite the support of the government. The accession countries of Eastern enlargement were given no choice to opt-out from EMU and they were legally bound to join the eurozone in due course. However, it was decided that they would not be eligible for membership immediately upon accession, but would have to remain in the EMS for at least two years in order to meet the convergence criteria (European Commission, 2000: 24).

### **3.2.2 Social Policy**

Although the Treaty Rome provided for the establishment of a social policy, containing articles related to the need for cooperation in this area (Articles 117-22), equality between men and women in pay for equal work (Article 119), and the creation of a European Social Fund (Articles 123-8), the social dimension of the

Community remained largely a national issue and little was done on the EC level for working conditions, social welfare, and health and security matters (Szyszczak, 2001: 182). The first enlargement, completion of the common market, and the prospect of a monetary union with the Werner Plan caused a new momentum in the social policy, which led to the 1974 Social Action Programme aimed at improving the living and working conditions of workers. But even this new wave of activism was short-lived as the 1970s were a time of economic difficulties and rising unemployment. The social policy had to wait until the Single European Act to resurface on the Community's agenda.

The new legislation Single European Act introduced has been mentioned in the previous sub-section of this chapter. By improving and harmonizing provisions on the health and safety of workers which would be decided by qualified majority voting, and encouraging social dialogue between employer associations and trade unions, the Commission and member states aimed to avoid 'social dumping' – the possibility of companies deciding to relocate to other member states who had relatively low levels of social protection and, hence, low production costs – and counterbalance the deregulatory effects of the business-driven single market program and maintain political support. The major boost to this policy domain came after the SEA, however, as the Delors Commission's efforts to clearly define social provisions culminated in the adoption of the Community Charter of the Fundamental Social Rights of Workers in December 1989, after the Madrid European Council of June 1989 stated that social dimension of the European integration should run in parallel with economic development. Also called the Social Charter, this document was of a merely declaratory character and was strongly opposed by the Thatcher government in the UK. Nevertheless, it established the fundamental principles and rights of EC citizens relating to social policy such as dignity, liberty, equality, and justice, and was endorsed by all the other Community member states except the UK (Geyer and Springer, 1998: 207). According to this Charter, the EC is required to provide for social rights of workers under twelve main themes:

1. freedom of movement throughout the territory of the Community
2. freedom to choose an occupation and the right to an equitable wage
3. right to an improvement in the living and working conditions
4. right to social protection
5. freedom of association and collective bargaining
6. right to vocational training
7. right to equal treatment of men and women
8. right to information, consultation and participation of workers
9. right to health protection and safety of workers at the workplace
10. protection of children and adolescents
11. right of retirees to a decent standard of living
12. improved social and professional integration for disabled people

The Social Charter formed the basis of the Social Protocol to the Maastricht Treaty, which was again rejected by the UK, and had to be attached to the treaty as a separate protocol, binding only those member states who signed it. The provisions of the protocol were the same as those contained in the Social Charter but now they had treaty status. The number of member states who observed the Social Protocol increased to fourteen after Sweden, Finland and Austria acceded to the EU and endorsed it. The undermining situation of the UK's non-observance of the Protocol came to an end when the new Labour government of Tony Blair decided to sign it. The Amsterdam Treaty finally gave the Social Protocol a treaty basis, making it binding on the EU as a whole.

### **3.2.3 Justice and Home Affairs**

Before the signing of the Maastricht Treaty, the European Community did not concern itself with the rights and responsibilities of the member state citizens. The Treaty of Rome's focus on persons were limited to their function as economic actors and, therefore, "there was no formal recognition of [justice and home affairs] within the EC Treaty framework" (Walker, 1998: 232). Areas such as police and judicial cooperation, immigration, and asylum and visa policies were seen as national

sovereignty matters, and were guarded against Community interference by the member states who regarded them irrelevant to the economic rationale of the founding organizations, European Steel and Coal Community, the EC, and Euratom. However, the aim of establishing a single area without borders mentioned at the Hague summit in 1969 and set in motion with the signing of the Single European Act, and particularly the potential effects of the free movement of persons in this area, pushed the Community to seek cooperation on an international level besides necessitating improvement of internal policy instruments to deal with cross-border crime such as terrorism, and trafficking in drugs and human beings. Hence, when the justice and home affairs was incorporated to the Maastricht Treaty in the 1990-1991 IGC, the cooperation in this field had already been established, albeit without a treaty basis.

The growing terrorism wave in Europe due to the emergence of illegal groups such as Red Brigades in Italy and the Red Army Fraction in Germany led member states to exchange information and compare practices in this area in 1976. The TREVI Group, which was established after an agreement of the EC interior ministers at the Rome European Council on 1 December 1975 and was named thus because the meetings took place near the famous fountain with the identical name, brought officials from member state ministries, senior police and intelligence officers, and experts together on a strictly intergovernmental basis with a flexible schedule. Even though the TREVI process was outside the Community's competence with no role for the European Commission, it nevertheless became “the first ever cooperation mechanism involving the interior ministries and also some of the law enforcement authorities of all EC member states” (Monar, 2012: 719). The obligation to eliminate internal borders in the Community accordingly with the aim of the single market program and the relative success of the TREVI group in achieving to coordinate the combat against terrorism caused an expansion in its remit by adding transboundary crime, coordination in police training and technology, and illegal immigration in 1985. Therefore the TREVI experience provided the groundwork for some of the common interest matters mentioned in the third pillar of the Maastricht Treaty, but operated

without any legal or financial instruments owing to its *ad hoc* status outside the framework of the Community Treaties.

Although the then Commission President Jacques Delors tried to appeal to the European patriotism of the member state citizens by setting a flag for the Community (the flag that is still in use today) and proclaiming Beethoven's "Ode to Joy" as the anthem, the main issue of concern in the 1980s was borders. The steps to relaunch the EC with the Single European Act also gave rise to the increasing interest in the objective of free movement of people, which was established in the Treaty of Rome but never actually implemented. In July 1984, the agreement that Germany and France signed to gradually eliminate border checks between the two countries became the precursor for the abolition of internal border controls. This agreement also acted as the forerunner for the Schengen Agreement only a year later, in addition to being an early experience for one of the four freedoms of the SEA in 1986. Because of the reluctance of member states like the UK, Ireland and Denmark, the Schengen Agreement was concluded outside the Community framework among Germany, France, Belgium, Luxembourg and the Netherlands on 14 June 1985 and was planned to enter into force on 1 January 1990.

The primary aim of the Schengen Agreement was the removal of border controls and other related impediments which made the functioning of the internal market more difficult, but as the creation of a single area where the free movement of persons was so easily provided would lead to severe internal security and illegal immigration risks, "compensatory measures" were put into place to overcome any potential threats. Therefore, "the Schengen group had by the time of the Maastricht IGC become by sheer necessity a pioneer of advanced JHA cooperation" (Monar, 2012: 719) by signing the Convention implementing the Schengen Agreement (CISA) in June 1991, only a few months before the start of the negotiations which were concluded with the Maastricht Treaty. The Convention laid out detailed rules and regulations on crossing internal and external borders, visas, conditions governing the movement of aliens, resident permits and alerts for the purposes of refusing entry,

processing applications for asylum, police cooperation (on matters as diverse as murder, trafficking in human beings and narcotic drugs, kidnapping, rape, forgery of money, extradition, firearms and ammunition). It also established the Schengen Information System (SIS) to maintain a joint database for the use of the member states, transport and movement of goods, and the protection of personal data.

The influence of the Schengen countries grew as Italy acceded to the Agreement and the implementing Convention in 1990, followed by Spain and Portugal in 1991, and Greece in 1992, making their aim of ultimately incorporating the Schengen system into the EC framework considerably less easy to ignore, and paving the way for the establishment of a legal base for the justice and home affairs in the Maastricht Treaty. However, due to the differences among member states on the Schengen Agreement, which occurred because of France's concern's with the "liberal drug policies in the Netherlands" (van Oudenaren, 2005: 238), along with the technical difficulties stemming from the SIS, the implementation of the agreement was pushed off until mid-1990s when the Benelux countries, Germany, Portugal, and Spain eliminated internal border controls on 1 April 1995. France and Italy declared themselves not ready to join just yet, but with the incorporation of the Schengen Protocol to the Treaty of Amsterdam all EU member states, except the UK and Ireland, became a part of the so-called "Schengenland".

The Community continued with enhancing its intergovernmental cooperation with the addition of a 'Political Declaration by the Governments of the Member States on the Free Movement of Persons' to the Single European Act, in which member states agreed to cooperate in the combating of terrorism, crime, the traffic in drugs and illicit trading in works of art and antiques. The Ad Hoc Immigration Group was also established in October 1986 to deal with admission and expulsion of third-country nationals, visas, false documents, asylum, and external border issues. These efforts, made in the name of counterbalancing the potential risks of the open internal market, still remained outside of the EC competence, however, and their effect was limited in accordance with their lack of legislative action.

With the JHA cooperation so fragmented and weak in adopting a hard stance and the Iron Curtain dismantled after the transformations of the Central and Eastern European countries into independent states, there borne a sense among the Schengen states (led by Germany who had most to lose from its now extended borders and a huge number of asylum applications) that the EC had to take a united and binding action against the rising problems of safety of the external borders, immigration, and transboundary crime.

The Maastricht Treaty provided a formal recognition for the justice and home affairs domain and brought the cooperation that had developed in the preceding decades into a single structure, except the Schengen Agreement. However, the JHA's treaty basis came at a grand compromise which served the interests of some member states such as the UK, Denmark, and Ireland who did not wish this area to be communitarized<sup>9</sup> and other member states who had signed the Schengen Agreement and, therefore, favoured a wide Community competence in JHA. The fact that the common foreign and security policy had already been placed in a separate intergovernmental treaty, as several member states again including the UK wanted it to be outside the Community framework due to its sensitive national sovereignty character, facilitated the employment of a very similar approach to the justice and home affairs.

The Luxembourg Presidency in April 1991 formulated the temple architecture of the Maastricht Treaty with its three pillars, and made both the CFSP and JHA domains of intergovernmental cooperation. Nine areas of common interest were assigned to the third pillar of justice and home affairs: asylum policy; rules governing the crossing by persons of the external borders of the member states; immigration policy; combating drug addiction; combating fraud on an international scale; judicial cooperation in civil matters; judicial cooperation in criminal matters; customs cooperation; police cooperation for the purposes of preventing and combating terrorism, unlawful drug trafficking and other serious forms of international crime,

<sup>9</sup> Supranationalization of policy areas by making them subject to qualified majority voting, European Court of Justice competence, and giving the Commission exclusive right of initiative.

including if necessary certain aspects of customs cooperation, in connection with the organization of a Union-wide system for exchanging information within a European Police Office (Europol). The measures taken in relation to these common matters were to be dealt with in compliance with the European Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the Convention relating to the Status of Refugees of 28 July 1951. Visa policy was the only area which was communitarized at the insistence of the Schengen countries and this domain was incorporated to the first pillar accordingly.

The Council could adopt joint positions, joint actions and draw up conventions in the aforementioned areas of common interest but these decision-making processes required unanimity in the Council and, in the case of conventions, ratification by all member states to confirm their suitability to their national constitutions. It was envisaged that the full association of the Commission with the JHA pillar would be ensured but it would have to share the power of initiative with the Council, except in the areas of judicial cooperation in criminal matters, customs cooperation, and police cooperation where the Council had the sole right of initiative. The European Parliament had no significant power over justice and home affairs activities, except for its consultation right, and could only ask questions or make recommendations to the Council. Due to its highly contested intergovernmental nature, the European Court of Justice had no jurisdiction under the third pillar.

Even though the justice and home affairs pillar provided the groundwork of the Area of Freedom, Security and Justice, which was the main objective of the Amsterdam Treaty reforms, and brought the Schengen framework closer to the Community by proclaiming asylum, immigration and visa policies as matters of common interest, it nevertheless lacked clear direction and purpose. There was a clear unwillingness on the part of the member states to adopt joint and constraining actions in a domain where sensitivities about sovereignty were running high and “the slowness, lack of transparency and complexity of the legislative procedure” were widely criticized (European Council, 2005: 10). Due to these apparent shortcomings, the third pillar

had to be reformed dramatically in the Amsterdam Treaty, which ensured the communitarization of almost all areas of common interest mentioned in the Treaty of Maastricht. Nevertheless, the Maastricht reforms in justice and home affairs still led to the adoption of Dublin Convention in 1997 which affirmed the obligations of the member states to undertake the examination of the application of any asylum-seeker under the rules of the Geneva Convention, and to the establishment of a European Police Office: Europol.

#### **3.2.4 Common Foreign and Security Policy**

The CFSP pillar of the Maastricht Treaty replaced the European Political Cooperation, in which member states of the Community had attempted to harmonize their positions on the international issues since the 1970s. However, the goal of establishing a common foreign policy for the EC states was incorporated into the Treaty framework with the signing of the Maastricht Treaty after the perception of the need for further political cooperation had been strengthened with the fall of the Berlin Wall which was the dawn for a new era in international relations (Tank, 1998: 15). The break-up of the Soviet Union not only created a new security environment for Europe where the previous bipolar system disappeared but also had ramifications for the future enlargement of the Community as “an eventual extension of the EC with CEECs required a political entity that the possible newcomers could adhere to” (Sjøvaag, 1998: 26).

In line with the Kohl-Mitterand initiative to hold a simultaneous Intergovernmental Conference on political union, which was opposed by the United Kingdom and Portugal, Common Foreign and Security Policy's objectives were defined as such: safeguarding the common values, fundamental interests and independence of the Union; strengthening the security of the Union and its member states in all ways; preserving peace and strengthening international security, in accordance with the principles of the United Nations Charter as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter; promoting international cooperation; and developing and consolidating democracy and the rule of law, and

respect for human rights and fundamental freedoms. All questions related to the security of the EU would be included in the CFSP, which could result in the framing of a common defense policy eventually. However, at Maastricht, only a very limited number of issues were identified as possible areas of joint action in the security field such as the operation of the Organization for Security and Cooperation in Europe (OSCE); disarmament; arms control; nuclear non-proliferation; and economic aspects of security like transfer of technology and arms to third countries (Spence, 1998: 50).

It was envisaged that the Union would pursue these objectives by establishing systematic cooperation between member states in the conduct of any policy that was of general interest and it was the responsibility of the member states to conform to the common positions defined by the Council; or by gradually implementing joint action in areas in which the member states had important interests in common. Due to the intergovernmental nature of the common foreign and security policy, the European Council played the biggest role in decision-making by defining the principles and general guidelines of this pillar, and by specifying to which decisions qualified majority voting could be applied. Therefore, the second pillar was the product of a compromise between Europeanists states (Germany, France, Italy, the Benelux countries) and Atlanticists (the UK, Portugal and Ireland) who were against both the the application of qualified majority voting and a separate security policy from that of NATO.

The involvement of the Commission and the Parliament in the formulation of the CFSP was similar to their roles in the justice and home affairs as the extremely sensitive domain of the common foreign and security policy did not allow for meaningful communitarization. The Commission was to be fully associated with the work carried out in this domain and held consultative powers. The Parliament had the right to be informed of the development of the Union's foreign and security policy, and could ask questions to the Council or make recommendations to it. In return, the Council Presidency would consult the EP on the main aspects and the basic choices

of the common foreign and security policy and would ensure that the views of the European Parliament were duly taken into consideration. The Common Foreign and Security Policy was not granted a special budget and the Maastricht Treaty stipulated that any related administrative expenditure would be charged to the budget of the European Communities, “thus automatically negating the exclusively intergovernmental nature of CFSP and triggering involvement of the Commission, as well as the Council of Ministers and the European Parliament as the 'budgetary authority’” (Spence, 1998: 47).

However, even before the Maastricht Treaty entered into force, the newly-established Union's stance on formulating a common foreign and security policy was challenged by the outbreak of the Gulf War in 1990 and the breakup of the former Yugoslavia in 1990-1992, which exposed the differences between the member states (Smith, 2012: 702). Therefore, the effectiveness of the CFSP and whether the member states could actually hold a common position in the ever-changing world order started to being questioned almost from the get-go even from within the Union institutions. In 1994 Hans van den Broek, the Commissioner for Foreign Relations at the time, stated that “while the Treaty is clear on goals, it has rather less to say, and then only tentatively, on how to achieve them ... nor is there any clear direction given on achieving a balance between external policy ... and the other traditional Community instruments” (quoted in Spence, 1998: 43).

Even though several joint actions were carried out under the auspices of the Common and Foreign and Security from the Maastricht Treaty's entry into force in 1993 to the decision to hold another IGC in 1995, such as observing elections in Russia and South America, supporting measures to enhance stability and peace in CEECs and the Middle East, providing humanitarian aid to Bosnia, and strengthening the review process of the anti-personnel landmines (Bindi, 2010: 28), just like the case with the justice and home affairs, the report of the Reflection Group in 1995 identified the CFSP as an area to be improved. The Group underlined the need for greater consistency in all aspects of external action to match the economic strength of the

Union with political weight, and emphasized the importance of clarifying objectives and strengthening the instruments for the Union's external action with a view to meeting the challenges of Eastern enlargement (Reflection Group, 1995: 28).

## CHAPTER 4

### THE EASTERN ENLARGEMENT

Until the collapse communism in 1989, the relationship between the European Community and the Communist block was practically non-existent, and every member state carried out its own policy towards the Soviet Union. First steps to normalization were taken when a Common Declaration between the EC and the Council for Mutual Economic Assistance (COMECON) was concluded in June 1988 to establish official relations between the two parties, and Mikhail Gorbachev allowed the negotiation of trade and cooperation agreements between the Community and COMECON members, starting with Hungary in 1988 and including Poland, the USSR, Czechoslovakia, Bulgaria and Romania in a timespan of less than three years. It is with the trade and cooperation agreements that the EC introduced the norm of political conditionality into its relations with the countries of Central and Eastern Europe (Kramer, 1993: 227). The protection of minority rights, holding fair and free elections, and the establishment of the rule of law became vital for concluding negotiations and delayed both Bulgaria and Romania's signing of the agreements due to the treatment of Turkish minority in the former and the brutal suppression of protests which left more than 1000 people dead in the latter (Smith, 2004: 60-2). However, the unforeseen developments in Eastern Europe, which brought down the socialist-communist regimes, rendered these agreements insufficient in the face of remarkable political and economic transformation and the role Community would assume in the process.

The dissolution of the Soviet Union caught the European Community by surprise and unprepared, like the rest of the world, at a crucial time of the European integration when the single market was being completed and the drive for a economic and

monetary union was gathering pace. In addition to changes in the Central and Eastern Europe being totally unexpected to the EC, there was also the fact that member states themselves were unsure and torn about the next move to make towards the newly-independent states, making the traditional fault lines among them visible. Germany, on the verge of reunification and as the state which would be affected the most by this situation, supported common action. France was weary of the threat a bigger Germany could carry and insisted on deeper integration, while the United Kingdom kept its usual anti-integrationist stance and saw the ordeal collapse of communism caused as an opportunity to slow down the deepening process. Therefore, the EC could not devise a common and coherent policy to assist and support the former socialist states at first but finally convened an informal meeting of the European Council in Paris on 18 November 1989 after the G7 summit in the same city in July 1989 had requested the European Commission to coordinate the G24 aid which would be provided to Poland and Hungary, who were ahead of the curve among the CEECs in democratization reforms. The informal European Council, which was dedicated exclusively to the developments in Eastern Europe, decided to back up and encourage democratic change, to respond to non-member countries' concern that the Community's market should be open for them, and to create a development and modernization bank for Eastern Europe<sup>10</sup>.

The PHARE programme<sup>11</sup> was established on 18 December 1989, shortly after the informal European Council in Paris, to support the economic reform process in Poland and Hungary by providing technical assistance and humanitarian aid. The programme was extended to Bulgaria, Czechoslovakia, the German Democratic Republic, Romania and Yugoslavia in September 1990, and to Albania, Estonia, Latvia, Estonia and Slovenia in the summer of 1992. Even though PHARE's focus was on economic transformation in its infancy, from 1992 onwards a democracy programme was established under its arch (upon an initiative from the European Parliament) and the extension of the programme became dependent on meeting some

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<sup>10</sup> European Bank for Reconstruction and Development (EBRD) which was founded in 1991.

<sup>11</sup> An acronym for *Pologne, Hongrie: aide à la restructuration économique*.

conditions, which matched the conditionality of the coordinated G24 aid even though these were not explicitly mentioned in PHARE regulations. As the Central and Eastern European countries were making their progress on the road to functioning democracies and market economies, PHARE had to evolve to meet their ever-changing needs. The 1993-7 guidelines moved the programme from technical know-how to investment aid in the vital areas of infrastructure, environment, energy, social development and employment, education and research, and agriculture (European Commission, 1993: 22). With the Commission's Agenda 2000 document published in 1997, PHARE became an instrument to help candidate countries implement the *acquis communautaire* first and foremost. However, as the intent of the CEECs to be members of the European Union was pronounced more and more, the EU institutions, led by the Commission, and member states found it inevitable to establish closer ties with the Eastern states, which led to the signing of the special association agreements named Europe Agreements.

As it shall be elaborated on later (see section 4.9 and Conclusions), it was mainly the push of the Central and Eastern European countries and the European Union's own identity as a democracy promoter who attached the conditionality norm to its formal contacts with these formerly-socialist states that led to the progression of relations. The obligation of supporting European states in transitions to pluralist political and market systems fell upon the EU member states with Greece's accession, and was continued and reinforced with the Iberian enlargement. With the exception of the EFTA enlargement, this trend persisted with the CEECs who argued that they belonged to Europe and the Union's values (based on liberal democratic norms) dictated that they be admitted as members.

Even though the EU put forward an intricate system of pre-accession and membership criteria for the CEECs to meet, at no point in the Eastern enlargement did any member state openly opposed the ongoing process in line with the Union's nature as a community with its own standard of legitimacy. The fact that Western Europe emerged as the victors in the Cold War and the Soviet Union's ideology

which kept the CEECs away from Europe collapsed on itself meant that member states did not have much of a choice in accepting the prospect of enlargement. As with Greece's membership, the European Union became trapped in the historical importance of the accession process and the rhetoric the EU itself helped create.

#### **4.1 The Europe Agreements**

Widening versus deepening debate in the Community started almost immediately after the countries of Central and Eastern Europe gained their independence and made the 'return to Europe' their top foreign policy objective, believing that Community membership would seal “the transition to democracy, just as it was for those Mediterranean countries emerging from dictatorship” (Grabbe and Hughes, 1997: 15). The instability of Russia to their east and the disgruntled minority groups in their own territories which could resort to violence due to ethnic conflicts, in addition to the pains of reforming their centrally-planned economies, left the CEECs with practically no choice but seeking accession, as the EC not only provided a safe haven in the midst of chaos but also a publicly popular template for democracy and functioning market economy. The rapid inclusion of the East Germany to the Community, which had a symbolic importance for Europe as a whole as the most visible epitome of the artificial divide of the continent, strengthened the hands of the formally socialist states by proving that the will of the member states could drive enlargement effectively in a short period of time. But this quick reunification made the member state leaders more reluctant to consider accession at the same time, as they experienced the political and financial hardship this 'return to Europe' ambition would bring.

Therefore it was accepted that the Community could not widen when the aspirant countries were still in transition and economically weak, and the position member states such as France, Italy and the Benelux countries took to go ahead with the economic and monetary union, even though this would mean that the CEECs would have to cover more ground to catch up with the member states when they eventually gained candidate status, won this round of the widening versus deepening debate.

However, it could be argued that the final decision of offering association to the Central and Eastern European states was right for both parties as a premature enlargement would indeed put a strain on the EC institutions and decision-making processes they could not handle, not only because of the insufficient development of the CEECs but also because of their sheer number.

The idea of establishing more substantial relations with the Eastern European states was developed by the European Commission throughout 1990, which culminated at the extraordinary summit of the European Council on 28 April 1990. At this meeting it was decided that the pre-accession strategy of the Community would consist of the PHARE and G24 aid programmes, the trade and cooperation agreements, and the new association agreements which would be offered to the CEECs, and in August 1990 the Commission proposed the initial conclusion of Europe Agreements with Poland, Hungary and Czechoslovakia. These newly-developed agreements differed from the ones signed by Turkey, Malta, and Cyprus in that they were more comprehensive and more explicitly political and, hence, took the name of 'Europe Agreements' to specify their special status (Kramer, 1993: 228). With the Europe Agreements, the Community hoped to prepare the CEECs for membership and delay the question of accession by providing a legal basis for their economic and face-to-face contacts with the Eastern European countries, and enhance the process of political dialogue. Each aspirant country would sign an agreement specific to their needs and would be required to demonstrate their commitment to five conditions for eligibility: rule of law, protection of human rights, a multi-party system, fair and free elections, and a market economy (European Commission, 1990b: 2).

The main objective of the Europe Agreements was to create a free trade area in a span of ten years to implement the four freedoms of the single market. However, due to the reservations on the side of the member states about the possibility of overwhelming immigration which could harm their service industries, the agreements did not actually further the freedom of workers. The agreements also envisaged the approximation of CEEC legislation to the EC *acquis* and adoption of

state aid and Community competition rules. The Europe Agreements would introduce import liberalization in industrial goods asymmetrically, which meant that the EC would dismantle the trade barriers faster with the exception of sensitive sectors: agriculture, textile, iron, steel and coal (European Commission, 1990b: 7). The issue of sensitive products became a huge problem in the negotiation process as these very sectors were the ones the CEECs could compete with the member states, and finance their political and economic reform. In the end, the Community agreed to better the terms of market access for the highly-contested products such as agricultural produce, coal and textiles but failed to satisfy the expectations of Poland, Hungary and Czechoslovakia. Another issue which threatened to derail the negotiations was the reluctance of the member states to state the joint objective of *both* the Community and CEECs to work towards accession. This hurdle was overcome by the inclusion of a mention in the Europe Agreement preambles which stated the goal of the associated states (but not the Community's) to join the EC. On 16 December 1991, all three associated states signed the agreements, which entered into force on 1 February 1994 for Hungary and Poland. The break-up of Czechoslovakia on 1 January 1993 caused a delay as separate agreements had to be concluded with the Czech Republic and Slovakia, which were signed on 4 October 1993 and entered into force on 1 February 1995.

As with the trade and cooperation agreements, Bulgaria and Romania were slower to make progress in their democratic and economic transformation compared to their Central European counterparts, and were judged to not have met the conditions for association when the Commission put forward its proposal for Poland, Hungary and Czechoslovakia. However, a coup attempt in the Soviet Union which started on 18 August 1991 against the newly-elected president Boris Yeltsin made closer cooperation with Bulgaria and Romania a necessity to prevent the ramifications of the chaos this coup (which ultimately failed) could cause from spreading to these fragile states (European Commission, 1991: 46). This clearly indicated the responsibility the member states felt against Romania and Bulgaria along with the concerns over the stability and security of the whole region. However, the mistrust

the member states harboured against the laggard states led the Commission to add the prospect of suspension or denunciation of the Europe Agreements on the grounds of violation of human rights and democratic principles, and other essential principles of the agreements (European Commission, 1992c: 82). First three agreements did not contain these conditions and Bulgaria and Romania's Europe Agreements became the first instance of a human rights clause being inserted in a Community legal instrument with third parties. This implementation was continued for all the Europe Agreements signed after 12 May 1992<sup>12</sup>, including the ones renegotiated with the Czech Republic and Slovakia. The Europe Agreement with Romania was signed on 1 February 1993 and with Bulgaria on 8 March 1993, both entering into force on 1 February 1995.

#### **4.2 The Copenhagen European Council of June 1993**

The lack of an acknowledgement in the Europe Agreements on the prospect for accession of the Central and Eastern European countries to the Community unsurprisingly led to increasing demands for a more solid reply from the member states about whether and when these associates would eventually gain entry. The Community, however, had other issues to deal with on the agenda, the most important of which was to prevent the crisis the negative Danish vote to the Maastricht Treaty could cause by threatening Community's transformation into a Union with a common foreign policy. Furthermore, the end of the Cold War meant that previously neutral states like Austria, Finland and Sweden were also lining up to apply for membership and were in front of the CEECs in the queue. At the same time, the conflict in Yugoslavia served as a reminder how the region needed the Community's guidance and its brand of liberal democracy, which ultimately ensured peace and economic growth, and incorporating these states to the integration process for once and for all seemed to be the only way out if a total turmoil was to be avoided and the security of the CEECs and the continent was to be maintained.

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12 The date the European Council endorsed Commission's proposal for new conditionality.

Although the member states were very much aware of the implications of doing nothing, there were still questions over what a future enlargement would mean to the achievements of the Community, which began as a customs union but went through a remarkable deepening process, sealed by the Single European Act and the EC's reinvention of itself as the European Union with the signing of the Maastricht Treaty. How the EU would function with more than twenty members, when it had trouble taking decisions as it was, was also a concern as the areas where the qualified majority voting were used had to be extended and the number of seats at the EU institutions such as the Council, Parliament, and Commission had to be reworked along with the re-weighting of votes. This second round of the widening versus deepening dilemma informed the Commission's reports to the Council on the way to the Copenhagen summit where the member states agreed on a membership perspective for the countries of Central and Eastern Europe.

The Treaty of Rome made the undefined European identity its only condition for membership and the Single European Act introduced the need for unanimity in the European Council and the assent of the Parliament for enlargement as the political and socio-economic situation of Europe in the years of the Cold War made the accession of non-Western states to the EC unthinkable, rendering more detailed conditionality irrelevant. In light of the collapse of communism and the old world order, the Maastricht Treaty proclaimed that “The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law”<sup>13</sup> and any European state who respected these principles could apply to become a member.

In its 'Europe and the Challenge of Enlargement' report prepared for the Lisbon European Council, which was held in June 1992, the Commission added two more conditions to those of the Maastricht: the applicants had to accept the entire *acquis communautaire* and take on all of its rights and obligations, including the common foreign and security policy, and they also had to be able to implement them to

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<sup>13</sup> Preamble to the Treaty on European Union.

safeguard the Community's efficiency, which meant that the applicants had to have a functioning and competitive market economy, and an adequate legal and administrative framework before being integrated to the EC. The Commission explained its decision on further conditionality by stating that widening must not come at the expense of deepening and that enlargement should not dilute the Community's achievements. The report also noted the special nature of the accession of new members to the Community as the EC had evolved to contain a single market without frontiers, created the European Union with a single currency and a common foreign policy, which could be interpreted as the acknowledgement on the Community's part of the difficulty meeting the *acquis* would present to the CEECs especially.

In two different reports presented to the Council in December 1992 and May 1993, the Commission urged member states to show their commitment to enlargement when the associated countries which signed the Europe Agreements were able to show that they were ready for membership. The December 1992 report entitled 'Towards A Closer Association with the countries of Central and Eastern Europe' mentioned the civil strife in Yugoslavia and the Soviet Union as the reason why these states were aiming for Community membership to ensure their stability and strengthen the confidence in their political and economic transformation. It went on to state that by offering the membership carrot "The Community will provide encouragement to those pursuing reform and make the short term economic and social consequences of adjustment easier to bear" (European Commission, 1992b: 3), putting the burden of responsibility on the member states. However, the report's most striking feature was the fact that it outlined the accession conditionality which would be the basis for the famous Copenhagen criteria. According to the report, a decision on accession would depend on: the capacity of the country in question to assume the obligations of membership (*acquis communautaire*); the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for minorities; the existence of a functioning market economy; the candidate's endorsement of the objectives of political, economic and monetary union; its capacity to cope with

competitive pressure and market forces within the Union; and the Community's capacity to absorb new members while maintaining the momentum of European integration. The Commission invited the European Council to ask the Council of Ministers to take decisions on these reports with a view to implementing them at the upcoming Copenhagen summit of June 1993.

The Copenhagen European Council endorsed the Commission's report by providing assurance that associated Central and Eastern European countries that wished to become full members of the European Union would be admitted as soon as they satisfied the requisite political and economic conditions. According to the Conclusions of the Presidency, candidate country must have achieved:

- stability of institutions guaranteeing democracy, the rule of law, human rights, respect for and protection of minorities;
- the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union;
- the ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

The European Council set a criterion for the Union itself as well by stating that the EU's capacity to absorb new members, while maintaining the momentum of European integration, was an important consideration in the enlargement process. Grabbe argues that “it is a condition for enlargement, whereas the others are conditions for entry, and it gives the EU's member states a 'pocket veto' over the accessions” (2002a: 251). As the progress of meeting the conditions would set the pace of the negotiations, no timetable was given on when or which associated states would accede to the Union. Mayhew argues that the decision on agreeing to further enlargement was taken without much discussion even though not all member states supported accession. He explains this peculiarity with the Treaty of Rome's stipulation that any European country could become a member of the European

Union when it meets the conditions for membership and “resistance to such a general statement on accession was therefore not only bad politics but was also not in the spirit of the Treaty” (1998: 27), which implies the logic of appropriateness at work. Reluctant member states such as France, Greece and Spain were once again had to accept enlargement, as opposing it, especially when more detailed criteria were defined to protect the Union and the member states, and when the Central and Eastern European countries could become new Yugoslavias if left without an anchor, would recreate the divide lines of the Cold War.

Other decisions taken at the Copenhagen European Council, which were related to the CEECs, were the acceleration of the efforts to open up the Community's markets recognizing the importance of trade in the transition of formally centrally-planned economies to market economy; structured dialogue of the CEECs with the institutions of the Union; partial reorientation of the resources of the PHARE programme to major infrastructural improvements. It was also declared that the European Council would follow each associated country's progress in fulfilling the conditions of accession closely, which would result in a “continuous monitoring and regular assessment to a degree that had not been practised in the previous rounds of enlargement” (Michalski, 2006: 275).

The vagueness of the Copenhagen criteria, which needed precise definitions for the notions of democracy, market economy and competitiveness, led to further interpretations and elaborations of these conditions, leaving the CEECs exposed to the strictest conditionality to date. Even though the EFTA countries were also required to adopt the whole *acquis communautaire*, there were no democracy or market-related criteria for them to meet. Besides, the *acquis* remained an ever-evolving requirement for the CEECs as, unlike the EFTA countries who had to accept it as it applied to the the member states at the time, they were required to adopt the present and *potential* obligations stemming from EU membership, which meant no opt-outs and taking on non-binding measures which did not apply to the member states themselves such as the justice and home affairs pillar (Grabbe, 1999: 7).

### **4.3 The Essen European Council: The Launch of the Pre-accession Strategy**

The Corfu European Council of June 1994 asked the Commission to prepare a strategy for the accession of the Central and Eastern European countries, who by their number, size, population and relative poverty, needed such an unprecedented strategy unlike all other enlargement rounds in which the European Community used transitional periods after the accession of the applicants for any adaptations to EC policies. The request of the European Council was implemented by the Commission, who produced a policy paper added as an annex to the conclusions of the Essen European Council in December 1994. The Commission set the integration of the CEECs to the Union's single market as the key priority, and added the instruments of Structured Dialogue and the Single Market White Paper to the Europe Agreements and the PHARE programme, which had already been used in the preparation of the Central and Eastern European countries to the adoption of the *acquis communautaire*.

The full alignment of the CEECs with EU legislation cut both ways: the candidate countries would not struggle to keep up with the existing member states after they gained accession to the EU and would restructure their outdated economic systems, in addition the member states who were not enthusiastic about enlargement in fears that the CEECs would endanger the functioning of the internal market would be assured that the accession would come only after full compliance with the requirements of the single market program. For this reason, the Essen European Council called on the Commission to submit a White Paper on the internal market legislation for its next meeting (details of which shall be explored in the following sub-section) and to report annually to the General Affairs Council on the progress of implementation of the pre-accession strategy. Thus, the Commission prioritized the single market requirements over the participation in the economic and monetary union, as later demonstrated by its Strategy Paper which stated that the candidates were not expected to adopt the euro directly upon accession and they should first concentrate on meeting the Copenhagen economic criteria (European Commission, 2000: 24). It was also argued that the accession of the CEECs to the Union would

have insignificant effect on the functioning of the EMU due to their small financial sectors and due to the fact that the applicants were already “positioned for meeting the convergence criteria” (Chang, 2004: 192).

By assigning a strategy for the CEECs to facilitate their accession to the EU, the Essen European Council added credibility and momentum to the Copenhagen decisions and set firmly on the road to enlargement. Politically, preparation for accession would be realized by the Structured Dialogue, which complemented the economic side of the strategy embodied in the Single Market White Paper. This structured relationship was envisaged to cover all the Community areas<sup>14</sup>, bringing governments of member states and the associated countries together in a special framework. The European Council confirmed that Europe Agreements would be concluded with the Baltic States and Slovenia so that these states could also be included in the accession preparation strategy as well.

The European Council also reminded its own duty by stating that the 1996 Intergovernmental Conference, scheduled by the Maastricht Treaty, must be used as an opportunity for the creation of suitable institutional conditions for the enlargement of the EU and negotiations with the associated countries could not be opened before the successful conclusion of this IGC.

The Essen summit extended the political conditionality for EU membership and added good neighbourliness (*bon voisinage*) to the Copenhagen criteria as well. According to the European Council, the applicant countries had to resolve their issues of mistreatment of minorities and frontier disputes to join the EU, and were encouraged to conclude agreements to this end among themselves as well as submitting unconditionally to the rulings of the International Court of Justice. The range of PHARE continued to evolve as the European Council agreed that up to 25 percent of the programme could be used for infrastructure investment.

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14 With a focus on policies which were of trans-European nature including energy, environment, transport, common foreign and security policy, and justice and home affairs.

#### **4.3.1 The Single Market White Paper**

At the request of the Essen European Council, the Commission presented a White Paper on the Union's internal market at the Cannes European Council of June 1995. The purpose of this White Paper was to serve as a user's guide for the associated countries in the preparation of meeting the requirements of the single market. It sought to do so by facilitating the process of the approximation of market legislation with the determining of key measures in every sector and sequencing of these measures according to their importance. Stage I measures were usually about the fundamental principles and/or procedures governing a sector, and represented a pre-condition for the functioning of the single market. Stage II measures, on the other hand, were usually more detailed rules on the implementation of the Stage I measures. The Annex of the White Paper was actually the most significant part of the document and had twenty-three headings which detailed the relevant laws for: free movement of capital, free movement and safety of industrial products, competition, state policy and action, agriculture, transport, audiovisual, environment, telecommunication, direct taxation, free movement of persons, public procurement, financial services, personal data, company law, accountancy, civil law, mutual recognition of professional qualifications, intellectual property, energy, customs and excise, indirect taxation, consumer protection.

However, the Commission made it clear (in several parts of the White Paper) that mere approximation of legislation would not achieve the aim of smooth functioning of the single market after enlargement, nor would it lead to economic reform, industrial restructuring and stimulation of trade. Therefore, the White Paper also listed and described the structures which must be established to enforce the adopted legislation, including judicial reform in the CEECs.

In addition to market reforms and the administrative capacity to implement these reforms, the White Paper aimed at the adoption of the internal market *acquis* as an agent of balanced and sustainable growth respecting environment, high levels of employment and social protection, better standards of living and quality of life, and

economic and social cohesion. Hence, the Commission included measures from the social policy and environmental policy of the Union to enhance the economic performance of the associated countries and to prevent any double standards from occurring when the member states had to meet certain social and environmental and the CEECs did not.

The White Paper also acknowledged the unique situation of the Central and Eastern European countries by stating that unlike the candidates in other enlargement rounds, the CEECs were still in transition to a market economy and did not have the structures the member states had in dealing with the obligations of the Union's legislation. The awareness the civil society had about their rights and the institutions through which they could claim these rights were lacking as well. To help the CEECs in the transition to political and economic systems compatible with those in the EU, a Technical Assistance Information Exchange Office (TAIEX) was created to provide technical assistance and monitor the progress the associated countries made in adopting the Union legislation.

Even though the White Paper stated that it was a general reference document which laid down the existing *acquis* of the European Union, and therefore did not aim to establish new criteria for accession or be a binding agreement for the CEECs, the progress made by the associated countries in the approximation of laws listed in this paper began to prejudice the accession negotiations and it “contributed in a fundamental way to the creation of an irreversible legal framework for integration” (Maresceau, 2003: 22), which led to the Union's position that CEECs had to accept the costly single market-related reforms before accession rather than in transitional periods after they gained entry to the EU like Spain and Portugal.

#### **4.4 The Amsterdam Treaty**

The Madrid European Council of December 1995 decided to launch the Intergovernmental Conference on 29 March 1996, which was scheduled by the Maastricht Treaty to review the working of the pillar system, after having received

the report of the Reflection Group created to identify the shortcomings of the Treaty on European Union. However, as the prospect of a new enlargement which would involve the Central and Eastern European countries became more and more real, this IGC's primary aim changed to establishing the political and institutional conditions for adapting the European Union to present and future needs. The EFTA enlargement had been concluded on 1 January 1995 on the basis of the Maastricht Treaty but it was agreed that for the accessions of new members to the EU, another IGC would be necessary to strengthen the institutions of the Union (Laursen, 2005: 154). Accordingly, the Madrid summit also added the criterion of the adjustment of administrative structures and capacity building in the applicant states to the membership conditions introduced at the Copenhagen European Council.

The Council requested the Commission to expedite preparation of its opinions on the applications for membership made<sup>15</sup> so that they could be forwarded to the Council as soon as possible after the conclusion of the Intergovernmental Conference, and to embark upon preparation of a composite paper on enlargement. It also called upon the Commission to undertake a detailed analysis of the union's financing system from the year of 2000 and the effects of enlargement on the EU's policies. This renewed push for accession preparations was due to the European Council's hope that the initial phase of CEEC negotiations would coincide with the start of negotiations with Malta and Cyprus, which was due to begin six months after the conclusion of the 1996 IGC.

In accordance with the proposals of the Reflection Group, the Madrid summit decided on three main areas in which results could be achieved in an enlarged Union: giving the EU greater capacity for external action; making Europe more relevant to its citizens; and enabling the Union to work better and preparing it for enlargement. The IGC culminated in the signing of the Amsterdam Treaty was convened in Turin

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15 Hungary, 31 March 1994. Poland, 5 April 1994. Romania, 22 June 1995. Slovakia, 27 June 1995. Latvia, 13 October 1995. Estonia, 24 November 1995. Lithuania, 8 December 1995. Bulgaria, 14 December 1995. At a later than the Madrid European Council but analyzed in the Commission's paper: Czech Republic, 17 January 1996. Slovenia, 10 June 1996

in March 1996 for the first time and was concluded more than a year later in June 1997. In addition to the three main areas of reform which shall be elaborated on below, the Amsterdam Treaty made the Council of Europe's Convention for the Protection of Human Rights and Fundamental Freedoms the basis for the Treaty, giving the European Court of Justice competence to impose sanctions on member states who violate these rights. However, the lack of political will among the member states for substantial reforms when they were dealing with the Stage 3 of economic and monetary union process, besides the fact that the public opinion on the European Union itself was turning into negative as demonstrated by the rejection of the Maastricht Treaty in Denmark and the narrow margin with which it was accepted in France, limited the reach of the Amsterdam Treaty and was overall disappointing especially in terms of preparing the Union for enlargement (Hug and König, 2002: 447).

Enhancing the EU's external policy was a priority for both the Reflection Group and the Madrid European Council even though the common foreign and security policy had been established only a few years earlier, and therefore member states and Union institutions still had little experience in this domain. The disintegration of Yugoslavia made the CFSP an urgent issue as the EU had to get involved to play its part in the peace and stability of the region but was clearly not equipped to deal with a war in its immediate neighbourhood regardless of its economic power (Brok, 2001: 38) and the reaction of the member states to this crisis was uncoordinated due to Germany and the Vatican's unilateral recognition of Slovenia and Croatia and the failure of the EU to negotiate an agreement. It was after the United States' negotiation of the Dayton peace accords between February 1996 and April 1997 that “the EU began to draw up a wide-ranging strategy, opening up a 'European perspective' for all the countries in the area” (Gori, 2010: 148).

The Amsterdam Treaty set the objective of asserting the EU's identity on the international scene, in particular through the CFSP including the progressive framing of a common defense policy, which might lead to a common defense. To achieve this

objective, the European Union first made its decision-making in this domain more effective by introducing qualified majority voting for decisions applying a common strategy defined by the European Council, and for any decision implementing a joint action or common position already adopted by the Council (Anderson, 1998: 133). Joint action and common position, namely common strategies, were new policy instruments of the CFSP, added by the Amsterdam Treaty, where the European Council could define the areas member states had common interests in by unanimity. Member states gained the right of “constructive abstention” which meant that member governments could adopt a position in the abstention of up to three member states (Gstöhl, 2000: 59).

Second, the Amsterdam Treaty created a new post of High Representative for the CFSP and assigned the Secretary General of the Council to this role. By giving a face to the second pillar, the Treaty aimed to make the common foreign and security policy of the Union more coherent and continual, and supported it with a new policy planning and early warning unit (Denza and Newman, 1999: 716). This unit was to provide coordination among member states on international developments by monitoring and analysing them, and ultimately producing reasoned policy option papers for the Council. Thirdly, in line with the aim of establishing a common defense policy over time, the Amsterdam Treaty stated that the Union would foster closer institutional relations with the Western European Union (WEU) with a view to the possibility of the integration of the WEU into the EU. This included incorporating humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, the so-called Petersberg tasks, to the Treaty's aims. The Council Presidency retained its right to present the Union in matters related to the common foreign and security policy, including implementation and initiative, but the Commission was now to be fully associated with the second pillar and the Parliament was to be consulted on the main aspects and the basic choices of the CFSP.

In the end, the CFSP reforms of the Amsterdam Treaty were disappointing as the Union still relied on unanimity in practice and new policy instruments were too

vague to actually coordinate concrete action and not suitable for the challenges the EU was facing. The world continued to look up to the United States for leadership on the international stage as EU “operations at the outer limit of or beyond NATO's geographic perimeters [were not] possible for any kind of a European force” (Laurent and Maresceau, 1998: 5).

The Madrid European Council stated that effective cooperation on a European level against transboundary crime and movement of people and goods issues were still very limited due to the lack of organized action from the Union to deal with international problems. The justice and home affairs pillar established under the arch of the Maastricht Treaty was mostly unable to meet the challenge of coping with the often elusive, multinational crime rings by adopting non-binding decisions and leaving the crucial part of fight against terrorism, drug trafficking, fraud, and illegal immigration to national governments who did not have the resources for efficient action (Lavenex and Wallace, 2005: 470). Even taking decisions in this pillar was a long and cumbersome process as the unanimity requirement in the Council made sure that progress would continue at the speed of the most reluctant member state (Walker, 1998: 236). The report of the Reflection Group thus identified the justice and home affairs pillar as a domain which could be improved with the use of common procedures and Union institutions, and communitarization of immigration, asylum and external border control matters.

The end of the Cold War and the subsequent flows of immigration from the Central and Eastern Europe, the destination of which was mostly Germany and the Netherlands, added momentum to calls for the restructuring of the third pillar, especially on the areas of asylum and refugee policy (Smith and Wallace, 2001: 126). There were also concerns that the chaotic environment of the formerly-socialist states provided a safe haven for international crime and trafficking in drugs and humanbeings due to their inability to protect their borders and lack of experience in their police and judicial systems. When it was accepted at the Copenhagen European Council that the CEECs would become members when they are ready to join, and

would thus become a part of the single market with its open borders, the necessity to lay solid rules and regulations concerning the management of the Union's external borders, and asylum and refugee applications became inevitable (Occhipinti, 2004: 201-2).

The European Union hoped to kill two birds with one stone with the revamp of the justice and home affairs domain: securing its borders by transferring expertise and common practices to the CEECs and improving their performance, and maintaining the support of the sceptical member states and the general Union public who were worried about threats of Eastern European origin (Grabbe, 2000: 524). Similar to the compromise struck in the signing of the Treaty on European Union, the Amsterdam Treaty also saw different camps of member states who were either calling for further reforms (Austria, Belgium, France, Germany, Italy, Luxembourg, Portugal, the Netherlands) or were against the communitarization of this intergovernmental area (Ireland, the UK). The Schengen group, led by the Benelux countries, Austria, Italy and Spain, were also pressing for the incorporation of the Schengen system to the Treaty as well (Lavenex and Wallace, 2005: 464).

The fact that a big majority of member states supported closer cooperation and more integration made the justice and home affairs reforms the most substantial achievement of the Amsterdam Treaty (Peterson and Bomberg, 2000: 22), which introduced the aim of creating an area of freedom, security and justice by moving all matters relating to movement of persons, such as external border controls, asylum, immigration, visas, and judicial cooperation in civil matters to the first pillar to be governed by the EU institutions, which left only police cooperation and judicial cooperation in criminal matters in the third pillar. There would be a transitional period of up to five years in which these areas would be incorporated to the Treaty gradually, and in this period the Maastricht rules of interaction would continue to apply. After five years the Council, who had been the linchpin in establishing the justice and home affairs agenda, would take decisions unanimously only on proposals from the Commission or on the initiative of a member state and after

consulting the Parliament. The co-decision process and qualified majority voting would apply to cases which the Council unanimously identified after consulting the Parliament. The previously non-existent role of the European Court of Justice was extended in the areas of free movement of persons, asylum, immigration and judicial cooperation in civil matters to include the instances where a national court of final appeal required ECJ's decision in order to be able to give its judgement, having the right to ask the Court to rule on the interpretation of the communitarized JHA issues or on the validity and interpretation of the EU institution acts that were based on these issues. The European Council, Commission or a member state could also ask the ECJ to rule on a question of interpretation regarding the first pillar JHA matters. The candidate countries had to adopt the *acquis* which would be born from this communitarization process in its entirety before accession.

Unlike the CEECs, however, Ireland and the United Kingdom negotiated opt-outs from the measures taken in the framework of creating an area of freedom, security and justice, and reserved the right to maintain their existing border regimes. They also had the right to opt-out from the Schengen *acquis* which fell under the competence of the third pillar. Denmark chose to opt-out from the measures of area of freedom, security and justice as well, except for those related to determining the third countries whose nationals must be in possession of a visa when crossing the external borders of the member states, or measures related to a uniform format of visas. Denmark would decide whether to implement any Schengen related decision in its national law or not within six months after the Council adopted it.

In the areas of police cooperation and judicial cooperation in criminal matters which remained in the third pillar, the member states aimed at establishing closer ties in the fight against trafficking in humanbeings; drugs and arms; terrorism; corruption and fraud; racism and xenophobia through Europol and competent authorities in member states. The Treaty of Amsterdam introduced two new policy instruments in this pillar: framework decisions for the purpose of approximating laws and regulations of the member states which were binding, and non-legislative decisions which could be

taken in any area of the third pillar except the approximation of laws. Former policy instruments of joint actions and joint positions were abolished altogether. The intergovernmental nature of the third pillar remained practically the same and the member states continued to play the main role in setting its agenda. However, with the signing of the Amsterdam Treaty, the Council would have to consult the European Parliament before adopting a framework decision or decision, or establishing a convention. The Court of Justice also gained some jurisdiction under the third pillar and had the right to give preliminary rulings on the validity and interpretation of framework decisions, decisions and conventions, and the measures implementing them. The Commission remained fully associated with the work of the Council in this domain and gained the right to initiate decision-making in all third pillar matters.

The most surprising development in the reform of the justice and home affairs domain of the European Union was the incorporation of the Schengen system and its *acquis* into the Treaty of Amsterdam (Lavenex and Wallace, 2005: 464). This inclusion was particularly strange as the Schengen *acquis* had not even been defined properly at the signing of the Treaty but the Central and Eastern European countries were still required to adopt and implement this *acquis* in full, unlike Ireland, the UK and Denmark (Denza and Newman, 1999: 717). Norway and Iceland chose to be associated with the Schengen system even though they were not members of the Union. The Council decision concerning the definition of the Schengen *acquis* was finally published on 20 May 1999 and set the following acts as its legal basis:

- The Agreement, signed in Schengen on 14 June 1985, between the governments of the states of the Benelux Economic Union, the Federal Republic of Germany and France on the gradual abolition of checks at their common borders;
- The Convention, signed in Schengen on 19 June 1990, between Belgium, the Federal Republic of Germany, Luxembourg, the Netherlands, implementing

the above-mentioned Agreement of 14 June 1985 with related final act and common declarations;

- The Accession Protocols and Agreements to the 1985 Agreement and the 1990 implementing Convention with Italy, Spain, Portugal, Greece, Austria, Denmark, Finland and Sweden with related final acts and common declarations;
- Decisions and declarations of the Schengen Executive Committee;
- Decisions of the Central Group which the Group has been authorized to take by the Executive Committee.

The main concept behind the Schengen system was to abolish the checks at the Union's internal borders while making its external borders much harder to penetrate, which put great responsibility on the CEECs. After accession, they would have to protect the frontiers of their territories on much stricter terms as they would constitute the outer rim of the European Union. This meant not only considerable progress had to be made in their economic, judicial and police capabilities with the help of the Union's PHARE programme, but also getting rid of their visa-free regimes with non-EU countries, such as the ones Poland had with Ukraine and Russia (Grabbe, 2000: 528). Hence, after securing the adoption of the single market *acquis* without any derogations with the Single Market White Paper, Schengen *acquis* was prioritized and made necessary for the CEEC accession after its incorporation to the Amsterdam Treaty.

The prospect of enlargement brought the capacity of the European Union to take decisions effectively and the efficiency of its institutions to question. The Union was still operating with the Commission and the Council designed for only six members and the qualified majority voting was mostly an exception. Accession of all the CEECs to the EU would mean more than 30 Commissioners on the assumption that

they would get one Commissioner each, in addition to large member states like France and Germany who had two Commissioners, which would almost certainly lead to the loss of its collegial character due its increased size (van Oudenaren, 2005: 60). The Amsterdam Treaty decided to limit all member states to one Commissioner starting from the next enlargement provided that an agreement on the re-weighting of votes in the European Council was struck by that date.

Similar to the Commission, the Council was facing efficiency problems brought about by CEEC enlargement, assessments on the re-weighting of votes of member state representatives and the scope of qualified majority voting were on the agenda (Kerremans, 1998: 87). Despite the fact that small and medium-sized states had always been over-represented in the Council and other Union institutions, the possibility of existing arrangements constituting serious problems to the EU's decision-making processes was considered only when the prospect of CEECs' future accession to the EU became a reality. The influence they would carry along with the existing non-large states could become disproportionate to their size as they would gain the power to block decisions and paralyze the Union's decision-making system altogether (Laursen, 2005: 154). However, member states failed to come to an agreement on the re-weighting of votes completely and qualified majority voting was extended to a very limited number of areas, none of which was decisive.

The aim of improving democratic legitimacy in the Union, set by the Madrid European Council, made the European Parliament “the winner of the negotiations” (Brok, 2001: 35). The overcomplicated nature of the co-decision procedure was simplified in the Amsterdam Treaty and was extended to 23 new areas including right to move and reside freely within the territory on the EU, social security of migrant workers, implementation of the common passport policy, equal opportunities and equal treatment, environment, and measures to combat fraud. The European Parliament was also granted the right to approve the member states' choice for the President of the European Commission. The Treaty of Amsterdam limited the size of the Parliament to 700 members, a number which would not be increased even when

the CEECs gained accession. The Amsterdam Treaty introduced the new concept of “variable-speed integration”, i.e. flexibility, with the aim of establishing closer cooperation among member states who were in favour of further deepening in a EU framework. The other member states could join them at a later stage and if they did not wish to do so, they would not be constituting an obstacle to the pace of European integration. However, there were stipulations to the employment of variable-speed integration to protect the integrity of the *acquis communautaire* and the single market: it could only be used as a last resort, had to include the majority of member states, be open to other member states at any time they want to be involved, and it could not affect the interests of non-participating member states (Peterson and Bomberg, 1999: 19).

At the time of the signing of the Amsterdam Treaty, the economic and monetary union, of which progress was pre-fixed and therefore was out of the Amsterdam reform agenda, and the newly-communitarized Schengen Agreement were the only examples of flexible integration.

The fact that the Amsterdam Treaty would not meet the expectations or requirements the biggest challenge that the European Union was facing with the prospect of enlargement was apparent even before the negotiations were concluded (Maurer, 2005: 175). Some Heads of State and Government, including Belgian, French and Italian, made their dissatisfaction known about the lack of progress in the enhancing of the Union's institutional capacity and stated that another Intergovernmental Conference would be necessary before enlargement. This possibility was hinted at in one of the protocols attached to the Amsterdam Treaty as well. 'Protocol on the Institutions with the Prospect of Enlargement of the European Union' stated that an IGC would be convened in order to review the provisions of the Treaties on the composition and functioning of the institutions at least one year before the membership of the EU exceeds twenty. However, these shortcomings did not stop the member states from calling the Amsterdam Treaty a success and opening the way for launching of the enlargement process. The European Council invited the General

Affairs Council to examine the Commission's composite paper on enlargement and present their report on it at the Luxembourg European Council in December 1997. The Treaty of Amsterdam entered into force on 1 May 1999.

It could be argued that once the European Union secured the compliance of the candidates with the single market-related *acquis* and framed the economic and monetary union as a post-accession issue, another core area which required close monitoring and careful implementation due to its inclusion of sensitive issues, such as the free movement of persons and protection of borders, was reinforced at the Amsterdam Treaty with the incorporation of the Schengen system into the Treaty to be applicable for the prospective new members, and the communitarization of much of the former third pillar. This step-by-step approach towards *acquis* compliance was in line with the functionalist-incrementalist logic of the European integration process. By the time of the opening of accession negotiations, the EU had already been able to consolidate much of its *acquis*-related criteria, which left the Commission with an overall assessment of the candidates in terms of the political criteria in the composite paper on enlargement.

#### **4.5 Agenda 2000 – Interpreting the Copenhagen Criteria and Launch of the Reinforced Pre-Accession Strategy**

In accordance with the request of the Madrid European Council of December 1995, the European Commission presented its composite paper on enlargement entitled 'Agenda 2000: For a Stronger and Wider Union' on 15 July 1997. This document provided not only an elaboration of the vague Copenhagen criteria but also established an enhanced pre-accession strategy as well as making proposals for the reform of the common agricultural policy and structural funds (Beach, 2005: 218). The Commission saw enlargement to the CEECs as an opportunity for Europe's stability, economy, culture and the Union's place in the world and stated that the EU should play a role complementary to that of NATO in the region. At the same time the Commission acknowledged the challenges the Union was facing with the future accession of ten new states which differed largely in economic and social

development terms among themselves and the EU member states. Even though it was a standard procedure for the Commission to draw up an Opinion in the case of a membership application, with the Eastern enlargement the Union *acquis* had reached a new high in size and complexity. Besides, the Copenhagen criteria went beyond the *acquis communautaire* by including conditions such as administrative and judicial capacity at the Madrid European Council, hence, the Commission's task in assessing the preparedness of the applicants was unprecedented (European Commission, 1997: 39).

Concerning the political criteria, the Commission assessed the health of the democracies in the Central and Eastern European countries and went beyond a formal description of state institutions. Firstly, the Commission stated that it was not enough for the applicants to subscribe to the principles of democracy and the rule of law, these values had to be implemented in daily life as well. It went on to mention that the institutions of the CEECs guaranteed democratic freedoms such as political pluralism, the freedom of expression and the freedom of religion, indicating that these principles were of utmost importance in determining the applicant's suitability for membership. The Commission found their democratic institutions, independent judicial and constitutional authorities which allowed for the proper functioning of different state authorities, the holding of free and fair elections, and the alternation of different political parties lacking, however.

The principle of rule of law was also evaluated to be flawed in all the applicant countries due to a shortage of qualified judges and guarantees of their independence. The Commission stated that police forces were poorly paid and required better training and discipline as well. Romania and Bulgaria's improvement in the democracy and rule of law conditions of the Union were noted by the Commission but they were still playing catch-up with the rest of the applicants. Slovakia's democracy was found not healthy due to the disparity in its constitutional texts and political practice of the authoritarian Meciar regime.

With regard to the human rights conditionality, the Commission noted the accession of all the applicant countries to the Council of Europe's Convention for the Protection of Human Rights and Fundamental Freedoms and singled out Romania's problems with more than 100,000 orphans living in its state institutions. On the subject of right of minorities, the Commission referred to two Council of Europe texts: Framework Convention for the Protection of National Minorities, which had not been signed or ratified by Bulgaria, the Czech Republic, Latvia, Lithuania, Poland and Slovenia; and Recommendation 1201 of the Parliamentary Assembly. Slovakia's problems in the implementation of minority rights, despite the fact that it recognized the principle, was again highlighted. The Commission singled out Latvia and Estonia for the large number of non-citizens within their territories but stated that except the treatment of the Roma population, the integration of minorities is satisfactory in all the applicants.

Consequently, Slovakia was identified as the only Central and Eastern European state to not satisfy the political conditions of membership set out in the Copenhagen European Council, making it “the one clear-cut instance of failed response to democratic conditionality” as the regime changes in both Bulgaria and Romania were regarded positively by the Commission (Pridham, 1999: 1223). The exclusion of Slovakia was hardly a surprise, however, as the Meciar government had persistently failed to follow up on the commitment to meet membership conditions after its application to the Union and was sent *démarches* from the United States, the EU and the European Parliament for its inappropriate practices of increasingly authoritarian power in Slovak politics, undermining of opposition parties, and assaults on the independent media and ethnic minorities (Pridham, 2002b: 210).

The Commission acknowledged the progress the CEECs made in the transition to a market economy, with the efforts of liberalization and privatization, and stated the difficulty they went through not only in restructuring their economies but also in establishing whole new institutions, unlike all other applicants to the EU who had already completed their market economy transformations before applying. In the

short-term, none of the applicants was deemed to meet the conditions of functioning market economy and the capacity to withstand competitive pressures in the market and went on to elaborate what these criteria entail.

For the creation of a functioning market economy, the requirements were a balance between demand and supply as well as liberalized prices and trade; the absence of significant barriers to market entry (establishment of new firms) and exit (bankruptcy); a competent legal system, including the regulation of property rights, so that laws and contracts can be enforced; macroeconomic stability, including adequate price stability, and sustainable public finances and external accounts; consensus about the essentials of the economic policy; a sufficiently well-developed financial sector which could channel savings towards productive investment. The Commission found that five applicants (the Czech Republic, Estonia, Hungary, Poland and Slovenia) could be considered functioning market economies but still needed to make further reforms while Slovakia missed out because of lack of transparency in its implementation.

For the other criterion of the capacity to withstand competitive pressure and market forces within the Union, the requirements were a functioning market economy; a sufficient amount, at an appropriate cost, of human and physical capital, including infrastructure, and education and research; a government policy which allowed for competitiveness through trade and competition policies, and state aids; trade integration with the Union; a healthy amount of small firms who benefit more from improved market access, and prevent the dominance of resistant to change larger firms. The Commission also stated that progress in meeting the measures of 1995 White Paper on the single market would both remain a strategy in the transposition of the *acquis* and a policy instrument in determining the preparedness of the applicants. Poland and Hungary were found to be closest to meeting the market pressure criterion while the Czech Republic, Slovakia and Slovenia could join the first two shortly on the condition that they kept up with their reform process without any reversals. Bulgaria, Estonia, Latvia, Lithuania and Romania were found to be

lacking in various areas but were on course to join the others in the medium term. When both conditions for meeting the Copenhagen economic criteria were taken into account, the Czech Republic, Estonia, Hungary, Poland and Slovenia seemed to the frontrunners.

The Commission did not elaborate on what the criterion of adherence to the aims of political union actually entailed and only noted that the applicants could fulfil the obligations of membership in this field through political dialogue and concrete action (European Commission, 1997: 43). On the aim of economic and monetary union, the Commission stated that the CEECs would not be able to join the eurozone immediately after accession as they still needed further structural reforms. However, the candidates were still expected to adopt the Stage 2 *acquis* of EMU which included central bank independence, coordination of economic policies and the liberalization of capital movements, as well as participation in an exchange rate mechanism.

The challenge of adopting and implementing the whole Union *acquis communautaire* was highlighted once again by the Commission along with its evolved nature from the last enlargement round when the EFTA countries became members just as the common foreign and security policy, and justice and home affairs pillar were still in their infancy. The Commission failed to explain what the applicants had to do to meet this challenge, however, and simply noted that carrying out the obligations in the Europe Agreements and the Single Market White Paper would provide indications of the applicants' capacity to transpose the Union legislation. For the enforcement of this body of legislation, the Community recommended administrative modernization in the CEECs which would entail new administrative structures and properly trained staff including sufficient number of judges trained in Community law. Consequently, the Commission decided that Hungary, Poland and the Czech Republic would be able to adopt and enforce most of the *acquis* in the medium term while Slovakia, Estonia, Latvia, Lithuania and Slovenia would need to increase their efforts to catch up with the frontrunners.

In addition to interpreting the Copenhagen criteria and evaluating the readiness of the applicants for EU membership, the Commission proposed the reinforcement of the pre-accession strategy for all the CEEC candidates regardless of their success in transition to democracy and market economy. Reinforced pre-accession strategy would focus on the particular needs of every applicant with a view to preparing them for membership by adopting the whole *acquis communautaire*. The new strategy had two main aims: firstly bringing various forms of support given to the applicants by the Union within a single framework, which was a new policy instrument named 'Accession Partnership' (AP), and working with the applicants to meet the priorities set in these Accession Partnerships according to the particular deficiencies a candidate had. Secondly encouraging the participation of the applicants in the Union programmes and ensuring that they familiarized themselves with the EU policies and procedures. Reinforced pre-accession strategy would thus involve the Europe Agreements, the Single Market White Paper, Structured Dialogue and PHARE.

Accession Partnerships would involve the precise commitment of the applicants to democracy, macroeconomic stabilization and nuclear safety (among other priority areas) complemented by the national programmes for the adoption of the *acquis*, prepared by the candidates themselves, which would explain how they intended to implement and enforce the priorities set by the APs within a precise timetable, and would demonstrate the progress they made towards achieving these priorities. With the new pre-accession strategy, the aid granted to the candidates would become conditional on meeting the priority objectives aimed at preparing them to meet their obligations as future member states. Therefore financial assistance, embodied by the PHARE programme and up until the Agenda 2000 was mostly concerned with the economic transition and democratization of the CEECs, was transformed into an instrument which essentially involved taking on the Union *acquis*. The Commission would present the European Council with annual progress reports which would assess the candidates' success in fulfilling the Accession Partnership targets.

The APs priorities, identified with the participation of the CEEC applicants within a binding timetable supplemented by the prospect of sanctions in the shape of financial assistance cut-offs, began to “prejudge accession terms outside the *acquis* as well, reducing the scope of negotiations to agreeing transitional periods” by reducing “flexibility in deciding what might be subject to compromise” for the EU and candidates when the Luxembourg European Council endorsed the simultaneous carrying out of membership negotiations and the Accession Partnership programmes (Grabbe, 1999: 19). Consequently, the CEECs were left with little power to oppose the EU demands as the “Accession Partnerships present the conditions as a package which is difficult to take apart in the negotiations” and the detailed objectives, (subject to bargaining in the previous enlargement rounds) which was a direct result of the expansion of the *acquis* meant that a “more clientelistic approach taken towards postcommunist applicants” (Grabbe, 2002a: 255) in a take it or leave it fashion. Another missed opportunity at reforming the EU's internal policies along with the unsatisfactory outcome of the Amsterdam Treaty, which was supposed to prepare the Union institutions for enlargement, meant that the member states put more onus on the applicants than themselves by requiring the CEECs to adopt the whole *acquis* with limited transitional periods and by applying more and more strict conditionality subject to sanctions.

The most significant and controversial proposals of the Commission's Agenda 2000 document were the recommendations that a date be set after the year of 2000 for convening a new Intergovernmental Conference with a view to reforming the provisions of the Treaty concerning the composition and functioning of its institutions. The Commission also decided that the Czech Republic, Hungary, Estonia, Poland and Slovenia were in a position to meet the membership requirements in the medium term, even though none of the candidates was ready for membership just yet, and negotiations should be opened with these five countries. Remaining four candidates were judged to be in need of further economic restructuring, while Slovakia was not included among the applicants who would begin their membership negotiations shortly due to its non-democratic regime.

Lastly, the Commission proposed internal policy reforms in structural funds and the common agricultural policy as well as setting the Union's budget perspective from 2000 to 2006. Keeping the existing arrangements on the granting of CAP support and structural funds would have meant a transfer of significant amount of money to the applicants, as they were dominantly agricultural states with low GDP levels, as well as loss of receipts for the beneficiaries of structural funds. The prospect of a considerable increase in the Union budget due to CAP expenditure led to the Commission's recommendation that CAP should shift from price support to direct support to farmers while maintaining the budgetary own-resources ceiling of 1.27 percent of the Union's GDP (European Commission, 1997: 62). The expenditure on structural funds would not exceed 0.46 percent of the Union's GDP and the total allocation for the 2000-2006 period would therefore be 275 billion ecus, 45 billion of which would be reserved for the new member states . Structural fund transfers to any new member state would be capped at 4 percent of the GDP of the state in question (European Commission, 1997: 63). These budgetary arrangements differed dramatically from the Mediterranean enlargement of the Community (Grabbe, 1999: 20; Sedelmeier, 2005: 420). All of Greece, Spain and Portugal were granted generous funds from the EC to facilitate the consolidation of their democracies after accession, which caused an increase in the Community budget. The Commission took a relatively stingy approach in the Eastern enlargement and tried to finance it without having to receive more contributions from the member states (Beach, 2005: 218).

The Commission's proposals on budgetary reforms and the applicant states chosen to start negotiations with were met with a backlash in the member states (Smith, 2004: 132). Agenda 2000's recommendations on CAP reforms were largely unpopular (except in the UK and Sweden) while net recipients of structural funds were firmly opposed to any decrease in their financial assistance even though there were no threats of veto to enlargement from Spain, who had always been the leader in defending the structural and cohesion fund allocations (Piedrafita, 2006: 59).

The Commission's recommendation that accession negotiations be opened with only five CEECs also came under fire with the opposition of Denmark, Sweden and Italy. Scandinavians and the Italian government claimed that this division between the applicants threatened to cause instability and they argued for the inclusion of all candidates in the negotiation process, which had a visible impact on the Luxembourg summit of December 1997 (Friis, 1998: 10). The Luxembourg European Council endorsed the Commission's proposal to begin negotiations with the Czech Republic, Estonia, Hungary, Poland and Slovenia. However, by highlighting the aim of ending the divisions in Europe and extending the European integration model to the whole continent as a way to ensure security and prosperity, it decided to launch an accession process comprising all applicant countries.

The European Council also stated that all candidates would be participating in this process on equal footing and subject to the same criteria; therefore if the countries left out of the accession negotiations were deemed ready for membership, they could start their negotiation process as soon as possible. The Commission was made responsible for the screening process which would cover all the applicants to determine the progress each CEEC made in meeting the Copenhagen criteria. The progress reports would be provided to the Council of Ministers annually and could upgrade an applicant's status from participating in accession process (pre-in) to participating in accession negotiations (in) (European Council, 1997: 6). Friis argues that the success of Denmark, Sweden and Italy in making the accession process more inclusive depended on

a frame which stood out as a future vision for Europe (peace and stability) ... [which] also appeared more legitimate. These countries were thus able to link their frame back to the core of the EU's self-image – the very fact that the EU has always presented itself as a club for all Europeans.

(1998: 10)

The Luxembourg European Council decided to launch the accession process on 30 March 1998 and the accession negotiations with the five CEECs in spring 1998.

Other conclusions of the Luxembourg summit included the endorsement of the reinforced pre-accession strategy and the Accession Partnerships as the core of this new strategy. The PHARE programme's focus on accession intensified with the setting of two priority aims: the reinforcement of administrative and judicial capacity and investments related to the adoption and application of the *acquis*. Some Union programmes such as education, and training and research were opened to the applicant states with the intention of familiarizing them with the EU's policies and working methods. The European Council failed to decide on a reform for the common agricultural policy and structural funds, however, and the agreement on budgetary issues were left to the Berlin European Council of March 1999. Overall, it could be concluded that Agenda 2000's assessment of the enlargement process as a whole prioritized compliance with the *acquis* over the EU member states' commitment to further policy reform. As a result, redistributive implications of enlargement were postponed.

#### **4.6 The Opening of the Membership Negotiations (1998-2000)**

In line with the decisions of the Luxembourg European Council of December 1997, accession negotiations were opened with the first five CEECs in March 1998. The first step in the negotiations was the screening process comprising thirty-one chapters, which was concluded in the summer of 1999. The European Union took the “chapter-by-chapter approach” (Mayhew, 2000: 19) to negotiations, provisionally closing the relatively easy chapters first where the Union had not produced much legislation such as science and research, education and training, industrial policy, and statistics. In the meantime, the other five CEECs, which were left in the pre-in lane, were encouraged by the Luxembourg summit's declaration that they too could start accession negotiations if they made fast progress. The first progress report of the Commission on the success of the applicants in fulfilling the membership criteria published on 4 November 1998 confirmed the commitment of Latvia, Lithuania and Slovakia to be included in the negotiation process. The first two were specifically praised for their substantial progress in becoming market economies while Slovakia's inclusion was due to the change of power in the country.

Pridham argues that Vladimir Meciar's aim in seeking EU membership was purely interest-driven as he saw the Union as a way to increase the economic and security advantages of Slovakia and to add more legitimacy to his own regime; hence, he differed from the leaders of other CEECs who felt connected to the European integration both ideologically and historically (2002b: 211). The election of a new government under Mikuláš Dzurinda in 1998 changed the external policy of Slovakia drastically, however, as Dzurinda, elected on the back of public support for democracy (Pridham, 2002b: 214), gave top priority to its relations with the Union and meeting the membership conditions. The new government's eagerness to join the EU and its success in fulfilling the political criteria by holding free and fair elections, opening the parliamentary committees and oversight bodies to opposition parties, adopting minority language legislation, and amending the constitution to ensure the independence of the judiciary were rewarded in the second regular progress report of the Commission (European Commission, 1999: 14). According to Pridham, this centrality of democratic conditionality to Slovakia's relations with the EU (which is more pronounced than other CEECs') "acted as a spur to democratic consolidation" by providing "both a direction in setting official yardsticks with which to measure progress ... and a sense of purpose [which] added momentum to change" (2002b: 222).

The progress report of October 1999 recommended the opening of negotiations with Latvia, Lithuania, Slovakia, Bulgaria and Romania in 2000. The inclusion of the often laggard states of Bulgaria and Romania, however, was not particularly expected. Even though the former's progress in economic reforms was noted by the Commission, Romania was deemed to be macroeconomically unstable and lacking a reliable legal and institutional framework. However, the Kosovo War erupted between the Serbian forces and NATO over the treatment of Kosovar Albanians led to growing tensions which reached its boiling point in March 1999 with a series of air strikes lasting more than two months. The European Union, noting that Bulgaria and Romania suffered the most from this crisis economically and fearing that instability in the region would cause total isolation and disenchantment in these two

states, decided to reward them with the opening of membership negotiations especially after their alignments with the CFSP of the Union on the ban on Yugoslav flights and oil embargo on Yugoslavia. The Commission justified its decision by stating that Bulgaria and Romania met the political criteria for membership and Enlargement Commissioner Günter Verheugen stated that “the Commission is proposing a change of strategy on political grounds. If we further subdivide the second group or put them on a back burner, we risk losing some countries along the way by depriving their reforms of a tangible, credible objective” (quoted in Smith, 2004: 186). However, the Commission added specific conditions applied only to Bulgaria and Romania in return for the carrot of accession negotiations. Before the end of 1999, Bulgaria had to decide on acceptable closure dates for the Kozloduy nuclear power plant while Romania had to take effective action to provide adequate budgetary resources and to implement structural reform of its child care institutions.

Helsinki European Council of December 1999 endorsed the Commission's recommendation in the October 1999 progress report that Latvia, Lithuania, Slovakia, Bulgaria and Romania be included in the accession negotiations and stated bilateral intergovernmental conferences with these candidates would be convened in February 2000. The Council also reiterated its commitment to complete the Intergovernmental Conference on institutional reform by December 2000, which would focus on the size and composition of the Commission, the weighting of votes in the Council and the possible extension of qualified majority voting in the Council. After the ratification of the Treaty concluding this IGC, the Union would be in a position to welcome new member states who could assume the obligations of membership from the end of 2002.

The EU started negotiations with the Helsinki group in March 2000 and conducted them simultaneously with the Luxembourg group's negotiations, which were slowing down due to the opening up of difficult chapters such as free movement of goods and labour, company law, competition policy and state aids, agriculture, and justice and home affairs (van Oudenaren, 2005: 356). When the Helsinki group began to close

the gap, the EU and candidate countries got embroiled in tough bargaining talks over transitional periods and the funds which would be transferred to the candidates. Germany and Austria were concerned about the influx of workers from the CEECs (Smith, 2004: 189), Spain had an uncompromising stance on its share of cohesion and structural funding while almost all member states (except the UK who hoped for a radical reform) were in favour of keeping their CAP support (Smith, 2004: 132). The budgetary decisions taken at the Berlin European Council of March 1999 were far from conclusive, however, and it seemed like the agreement on this difficult issue would go down to the wire.

#### **4.7 The Nice Treaty**

The Cologne European Council of June 1999 formally decided to convene the IGC on institutional reforms in the early 2000 to tackle the “Amsterdam leftovers”<sup>16</sup>, which was also specified in the Helsinki summit: the composition of the Commission, the weighting of votes in the Council and the extension of qualified majority voting. Even though both the Commission and the Parliament favoured a comprehensive reform of the Union institutions, the Intergovernmental Conference was marked by its narrow ambition. Unlike “other IGCs [which] have ranged widely across EC/EU affairs, the 2000 IGC was focused very much on institutional issues” (Nugent, 2010: 62) which paved the way for a period of reflection for the Union and resulted in the Constitutional Treaty.

The Intergovernmental Conference which culminated in the signing of the Nice Treaty agreed that starting from 2005, the five larger member states would give up on their extra Commissioner and the Commission would include one national of each of the member states. It was also agreed that once the EU reached twenty-seven member states, the number of Commissioners would be less than the number of member states and these Commissioners would be selected according to a rotation system which would be set unanimously by the Council. To compensate for the changes in the Commission, the powers of the Commission President was

<sup>16</sup> These three related issues were called leftovers because the Treaty of Amsterdam had failed to solve them (Maurer, 2005: 175).

strengthened to include the allocation of responsibilities to the Commissioners and their reshuffling if necessary, the appointment of the Vice Presidents with the approval of the College of Commissioners, and the right to request the resignation of a Commissioner after obtaining the approval of the College.

The issue of weighting of votes in the Council was directly related to the number of national representatives in the Commission. In exchange for losing one of their Commissioners and to balance the smaller state bias in the EU institutions, the larger states asked for a re-weighting of votes in the Council. The Nice Treaty increased the number of votes for all the member states and gave more votes to those with the largest populations while raising the threshold for a qualified majority. Therefore, 169 votes out of a total 237 would constitute a qualified majority so long as this majority represented 62 percent of the population of the Union.

The Nice Treaty introduced qualified majority voting to thirty-two new areas including asylum, refugees and immigration policy; introduction of the euro; common commercial policy; social policy, economic and social cohesion; structural funds; and appointment of the members of the Commission. However, these areas were neither politically significant nor particularly contentious and with seventy-three treaty provisions still subject to unanimity, the problem of decision-making capacity in the Union was yet to be solved. The Treaty also raised the maximum number of European Parliament members from 700, which was set at the Amsterdam Treaty, to 732.

To provide for the prospect of a wider debate on the European Union's future which went beyond the limited reach of the 2000 IGC, a 'Declaration on the Future of the Union' was annexed to the Treaty of Nice. This declaration stated that the successful conclusion of the Intergovernmental Conference and completion of the necessary institutional changes opened the way for the accession of new member states, which meant the

reassurance that their accession depends on their own economic and political performance, and on the willingness of the EU states to recognize the quality of this performance, but no longer on the question whether the Union itself manages to put its own house in order.

(de Witte, 2003: 217)

The Declaration could also be interpreted as the Union's acknowledgement of the Nice Treaty's ill-suitability to an enlarged EU in the long run, which is supported by the almost immediate steps it has taken since the Treaty's signing on 26 February 2001 and Baron Frans van Daele's<sup>17</sup> assessment of the summit as the “worst Treaty we have ever negotiated” (quoted in Dedman, 2010: 169). As the possibility of a big-bang enlargement came to be accepted after the conclusion of the IGC, institutional reforms decided in the Nice Treaty were rendered obsolete and incomprehensible quite quickly, because the small states continued to be over-represented in the Union institutions and the qualified majority voting system became even more complicated (Blair, 2005: 79). This situation made another IGC in 2004, with the participation of representatives of national parliaments and civil society, necessary to discuss and agree on reforms in a Union with at least ten new member states. The Laeken European Council of December 2001 agreed on the method and timetable for further reform and organized a convention to prepare for the next IGC. The Convention produced a 'Draft Treaty Establishing a European Constitution' which served as a basis for the negotiations of the IGC convened in October 2003.

The rejected EU Constitution and the following Lisbon Treaty of 2007 are the direct results of the lack of a grand bargain which should have preceded the Eastern enlargement and attempted to reconcile deepening and widening. Even though the member states were aware of the insufficient nature of the Amsterdam and Nice Treaties, the lack of political will and a sense of fatigue from a whirl of huge internal restructuration, which was a result of the Single European Act and especially the economic and monetary union, led to the postponement of the much-needed profound reform process. Preston argues that

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<sup>17</sup> Belgium's Permanent Representative to EU in 2001.

deepening can be presented to applicants as part of a total accession package. So long as suitable 'sweeteners' are provided, overall agreement can be obtained more easily than once the new member is fully absorbed, when the price of agreement to further deepening is usually increased.

(1997: 155-6)

This method to enlargement was followed by the Community with great success until the membership applications of Central and Eastern European countries to the EU. However, the Union's declaration that the Nice Treaty had completed the institutional reforms successfully made such further deepening impossible before accession due to the criticism the EU would receive from the applicants who had already been subjected to an *acquis* and pre-accession strategy of unprecedented dimensions. Ireland's initial rejection of the Nice Treaty in a referendum held in June 2001 further proved that political circumstances in the Union was not feasible for an ambitious reform project.

Member states waited until the Brussels European Council of June 2004 to conclude the IGC on a European Constitution, by which time the Union had already extended its membership to ten more states. The Constitutional Treaty aimed to make the procedures and institutions of the EU more accessible and clear for the general public, and tried to bring all the previous treaties together in a single document while getting rid of the pillar structure in the hopes of improving “the EU's ability to respond to challenges posed by enlargement” (Blair, 2005: 81). Moreover, Germany, feeling hard done by the Nice arrangements on the distribution of votes in the Council of Ministers, wanted to change the status quo as the states half of its size and population with little contribution to the EU budget, like Poland and Spain, had only a few less votes than it did.

However, the Treaty's aims proved to be moot in the short term as the CEECs, in addition to Cyprus and Malta, had gained accession (in the biggest enlargement round in the history of the European integration project) before these aims could be realized; and Germany failed to come to an agreement with both Poland and Spain due to their opposition to losing the upper hand they gained at the Nice summit.

Furthermore, the Constitutional Treaty was dealt with another blow with its rejection in both France and the Netherlands in 2005 referenda, which led to it being shelved for more than two years until German Chancellor Angela Merkel's plans to bring it on the agenda once again in 2007. Germany's efforts to revive the failed EU Constitution resulted in the Lisbon Treaty, which was mostly “an unreadable mish-mash of articles salvaged from the wrecked Constitutional Treaty” with all references to state-like procedures, symbols and terminology left out (Dedman, 2010: 176-7).

#### **4.8 The Copenhagen European Council: Concluding the Membership Negotiations**

With the issue of institutional reform out of the way, the European Council concentrated on finalizing the negotiations with the applicant countries. Even though the Nice Treaty had stated that the candidates who were closest to meeting the membership criteria could join the EU before the European Parliament elections in June 2004, there was still no agreement on which countries would be able to do so. Göteborg European Council of June 2001 set the end of 2002 as the deadline for the conclusion of negotiations with the applicants who were ready but failed to specify who they actually were. The prospect of a big-bang enlargement gained momentum due to the pace of the Helsinki second wavers in adopting the *acquis communautaire* and in conducting the accession negotiations, as well as the growing security concerns which were further strengthened because of the 11 September 2001 attacks to the United States (Smith, 2004: 192).

The Laeken European Council of December 2001 reiterated the timetable set at Göteborg and named the eight Central and Eastern European countries who would gain accession to the EU if they kept up their rate of progress and reform process: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. Bulgaria and Romania were the only CEECs excluded as they still lagged behind the frontrunners in terms of economic performance and adoption of the *acquis*. The Commission reaffirmed the choice of the Laeken summit in its October 2002 Strategy Paper on the progress of the candidate countries to accession by stating that

all of Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia fulfilled the political criteria and they would be able to fulfil the economic and *acquis* criteria from the beginning of 2004. As for Bulgaria and Romania, the Commission found them not ready in terms of the economic and *acquis* criteria even though they met the political criteria. Therefore, the Commission recommended the conclusion of accession negotiations with the eight CEECs by the end of 2002.

Before the finalization of the negotiations, however, there was the issue of the EU budget and agricultural payments to be solved. The Berlin European Council of March 1999 had already decided to cap the structural funds to be transferred to the new member states at the 4 percent of their GDP. Brussels European Council of October 2002 agreed to introduce the direct payments for farmers in new member states gradually. From the year of 2004, the new member states would start to receive 25 percent of the CAP support, which would be raised to its full level in 2013. This agreement, along with the Berlin summit's decision, became the basis for the final financial package at the Copenhagen European Council of December 2002.

However, the Copenhagen summit lowered the maximum amount of financial aid to be transferred to the accession countries from €42 billion to €40.8 billion, which included the agricultural subsidies, infrastructure spending, regional aid, and payments for the improvement of nuclear safety, public administration, and border protection. The new member states had to contribute to the EU budget as well, which would amount to around €15 billion during 2004-2006 (Grabbe, 2002b: 1). The Copenhagen deal meant that the CEECs received an unfair financial package compared to the then member states, as they were to get considerably less funds per head of total population: Poland €67, Hungary €49, Slovenia €41 and the Czech Republic €29 per capita, which contrasted starkly with Greece €437, Ireland €418, Spain €216 and Portugal €211 per capita (Grabbe, 2002b: 5). Therefore, the member states again compensated for their reluctance to enlarge and pay for the enlargement, and “instead of reforming expensive EU policies, the member states set strict limits on extending agricultural and structural funds to the new member states” (Smith,

2004: 194). The Commission succeeded in granting very few transitional periods in the single market, keeping the *acquis* intact except for the free movement of workers (at the insistence of the member states) where the CEECs had to wait for up to seven years to enjoy this right. The Schengen *acquis* was divided into two categories and the provisions related to the lifting of internal border controls and the establishment of a common visa policy were left to the decision of the Council which would be taken with the consultation of the European Parliament after the accession of the candidates. The environmental chapter was closed with the granting of long transitional periods to the CEECs for non-market related measures of the environmental policy which would not have any effect on product standards.

The Copenhagen European Council of December 2002 concluded the negotiations with the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia and stated that they would become members of the EU on 1 May 2004. The Council also declared its objective of welcoming Bulgaria and Romania as members in 2007 on the condition that they stepped up in their accession preparation efforts and reformed their judicial and administrative systems. At the informal European Council in Athens on 16 April 2003 the Heads of State and Government of the acceding countries and member states signed the Accession Treaty to the European Union, which was duly ratified by the member states, European Parliament and through referenda in the candidate countries. Even though Bulgaria and Romania did not make as much progress as the member states and the Commission hoped, the Brussels European Council of December 2004 concluded the negotiations with these states on the Commission's recommendation to prevent the negative implications of postponing the enlargement. However, it also decided to continue to monitor them closely on the effective implementation of the *acquis*, particularly on justice and home affairs, competition and environment policies, and requested the Commission to continue to submit annual reports on their progress to accession, which meant that these two CEECs would be subjected to post-accession conditionality. Bulgaria and Romania became members of the EU on 1 January 2007 after the signing of their Accession Treaty in April 2005.

The European Commission concluded that the process of democratic consolidation in the CEECs came to an end with their accession to the European Union, who has come to be “the most visible, prestigious, ambitious, articulated and influential” outside actor in furthering democracy in the formerly-socialist states (Pridham, 2005: 62). The prospect of membership led the Central and Eastern European governments to follow the political conditionality set by the EU without reservations even though the Commission never provided a conceptual clarity on what consolidated democracy entails, which Pridham argues as being “bureaucratically convenient” since the efficiency of the accession criteria on conjuring democratic transition in aspirant states cannot be challenged (2005: 59).

In the following sub-section an assessment of the inevitability of the Eastern enlargement, which would have normally seemed unlikely due to its potential costs and reluctance of the member states to finance or support it, shall be made.

#### **4.9 Analyzing the Eastern Enlargement**

Fierke and Wiener (2005: 99) question the same consequential inevitability of enlargement when member states were more interested in the deepening of the European integration and saw widening to unstable states such as the Central and Eastern Europe countries as potential threats to the progress of the European Union, which could have halted the EU's steady integration and drained its resources both financially and institutionally, at the end of the Cold War. The sociological constructivist approach that centres on the existence of an *acquis communautaire* which has embraced the objective of enlargement, so long as its basis lay in the principles of a European identity, democracy and the rule of law, as the primary reason for widening is deemed inadequate by Fierke and Wiener. They argue that formation of the EU *acquis* does not explain why its rules, judicial decisions or principles would override the interests of the member states.

They also compare the EU enlargement to NATO's simultaneous expansion and conclude that even in the absence of an *acquis* which is as complex and detailed as

the Union's, another organization which holds great influence and importance on the world stage also added the formerly-socialist states as its new members. Therefore, Fierke and Wiener put forward an explanation which draws on Wittgensteinian constructivism and argue that a Western identity, formed in terms of the existence of an "Other", was constructed with the effect of meaning and language in the years of the Cold War. Fierke and Wiener utilize Wittgensteinian constructivism because it explains both EU and NATO enlargements and, unlike sociological constructivism, it argues that norms cannot be reduced to causes as they are constructed in the dialectical relationship between context, speech acts and institutional formation (2005: 102-3).

The Western ideal, practising democracy, open society and freedom, was presented as everything the iron curtain's beyond was not, and the EU and NATO created a sense of belonging to this ideal by giving their own members the right to be citizens and the right to vote in their organizations. Fierke and Wiener use the concepts of speech acts, contextual change and institutional interests to explain the reconstitution of Western practices towards the Eastern Europe with the start of the enlargement process. The speech acts in question is based on the promise of Helsinki Accords (signed on 1 August 1975) which created a moral obligation for both the Warsaw Pact and Western states. The agreement to uphold human rights demonstrated the discrepancy between the promise of Eastern governments and their eventual disregard in respecting these rights, and led Western governments to declare their responsibility in lending support to those in the East who were defying the usurpers of human rights.

The end of the Cold War changed the context of the past promises by making their deliverance possible by the Western countries without the threat of a nuclear war. The CEECs had returned to Europe by defending Western ideals and now it was up to the West as the victor of the Cold War to put their statements of responsibility and obligation into practice. However, the European Union, concerned about its own institutional identity, seemed to be putting more and more mountains to climb for the

CEECs by refusing to even acknowledge the objective of enlargement in the Europe Agreements at first in 1991 when Hungary, Poland and Czechoslovakia signed them, adding the respect of minorities as a condition for accession even though member states themselves were not obliged to uphold this principle, and putting a highly complicated pre-accession strategy in place to scrutinize the preparedness of the candidate states on every level.

In a similar strategy employed after the signing of the Helsinki Accords, the Eastern European states began to expose the gap between the norms of the EU as stated in the Treaties and the rhetoric Western leaders employed, and the increasingly difficult accession process. Fierke and Wiener argue that the Western identity depends not only the existence of norms but also in their recognition, and state that at this point of the need for recognition which makes the West legitimate “promise-keeping becomes extremely important ... Too great an inconsistency between the normative ideals which the West represented and its practices towards the CEECs would be damaging to the identity of the EU” (2005: 109). Therefore, the promise of Helsinki was transformed into a threat by the CEECs who declared that exclusion from the European Union would mean instability, loss of support for the ongoing reform process and eventual return to authoritarian regimes, which forced the hand of the EU members to fulfilling their promises and admitting the CEECs as members so as not to experience shame and disrespect due to the violation of normative expectations.

However, Fierke and Wiener's theory can be criticized for focusing too much on the threat aspect of the decision to enlarge as it robs off the member states and EU's agency to decide for themselves after considering any shared interests they may have in accepting the CEECs to the Union. The material bargaining power of the CEECs to implement such a threat can also be put into question. The Eastern European states did not see the accession process to the EU as an objective in and of itself, they saw it as a planned and popular way to establish and consolidate democratic regimes and market economies, and to avoid ethnic minority violence. The idea that they could let

their fragile states get dragged into a region-wide chaos just to teach the Union a lesson sounds absurd as the CEECs had as much stake in the security and political well-being of Eastern Europe as the member states and the EU institutions.

Like Fierke and Wiener, Sedelmeier (2000a, 2000b) denounces rationalist approaches to explain the Eastern enlargement and states that a normative discourse constructed in the Cold War created a sense of “special responsibility” in the European Community towards the Central and Eastern European countries. Instead of the prospect of a threat which could derail Western security and stability, however, Sedelmeier introduces the notion of “appropriate action” as the driving force behind the decision to enlarge. The EU's identity shaped by liberal democratic norms as well as the influence of outside actors such as the United States administration reinforced the Union's role in the continent as the chief supporter of the transformations in the CEECs and interdicted purely self-interested behaviour while legitimizing the accommodation of the CEECs' preferences. The fact that the Copenhagen European Council of 1993 endorsed the principle of CEEC membership before steps to reform the institutional structure of the EU were taken, and membership negotiations were started before an agreement on budget and structural funds were struck is presented by Sedelmeier as the reason why the Union did not act with a strategic purpose and self-interest.

Sedelmeier argues that previous enlargement rounds of the EU which saw Greece, Spain and Portugal become members were undertaken with the aims of consolidating democracy and supporting market reforms, in line with the original integration project that had a broader European vocation (2000a: 167). This special role of the Union as a force for laying the foundations of an ever closer Europe through enlargement was further reinforced in the Cold War with the statements of policy-makers who defended the CEECs' right to be included in the integration process and noted that their exclusion meant a constant state of incompleteness for Europe.

Sedelmeier states that genuineness of this discourse is irrelevant as it created the ground for policy-makers (especially inside the European Commission), who actually associate themselves with a European identity that includes a special sense of responsibility for the CEECs, to act after the fall of the Berlin Wall. However, Sedelmeier also states that this unevenly distributed sense of responsibility, which resonated in the Commission and with the Commissioners for external relations more so than in the member states, is not enough to induce clear policy outcomes which result in the accession of the CEECs to the EU and the necessity to match the rhetoric with concrete action only limits the realm of possibilities as either appropriate, and hence legitimate, or inappropriate, and hence illegitimate:

The component of EU identity which implies a responsibility for the CEECs is enacted through compliance with a diffuse regulative norm which proscribes purely self-interested behaviour, and prescribes the consideration of the CEECs' interests in policy.

(Sedelmeier, 2000b: 228)

This “diffuse regulative norm” is described as liberal (social) democratic norms employed in the framework of an international institution that has to interact with other actors in conformity with these norms. Therefore, even the member states who would gain very little from the Eastern enlargement and would lose their share of structural and cohesion funds, such as Greece and Spain, could not veto the decision to enlarge openly; while states like Germany and Denmark who supported the enlargement partly because of material considerations added more weight and respectability to their preferences. Hence, unlike Fierke and Wiener, Sedelmeier does not disregard the self-interests member states may have in the successful conclusion of the Eastern enlargement nor does he ignore the possibility of strategic bargaining on the part of these states. He argues that, with the support of policy-makers in the European Commission who internalized EU's identity as a normative force, self-interested actors such as Germany made opposition against the Eastern enlargement on purely material terms illegitimate.

This did not lead to an easy membership process for the CEECs, however, as the prerequisite of institutional reform and a pre-accession strategy were established to reduce the concerns of the reluctant parties. Still the principle of CEECs' eventual membership to the EU was secure due to not their ability to threaten the opposition (they did not possess such a bargaining chip anyway) but due to the perceived limits of appropriate behaviour as relating to the European Union's identity. "The reputational and social costs entailed by failing to conform with the regulative norms implied in the EU's role towards the CEECs" created a negative consensus which brought member states and policy-makers in the EU institutions together to not block the enlargement (Sedelmeier, 2000a: 180).

Schimmelfennig's "rhetorical entrapment" theory combines the European Union's identity as a liberal entity based on the principles of rule of law, pluralism, a market economy and human rights and the appropriate form of action its members could take in the framework of this order with a rational choice approach. According to Schimmelfennig, even though liberal intergovernmentalism explains the state preferences and the bargaining process between the CEECs and the EU, it fails to account for the 1993 decision to enlarge and upgrade the CEECs' status from associates to candidates. Schimmelfennig argues that a sociological perspective to the Eastern enlargement could explain the Union's leap to open up membership negotiations with the principle of being a liberal community of states which is open to the inclusion of other states sharing the same values and norms. To explain how that leap came about, he introduces the concept of "rhetorical action" which he defines as "the strategic use of norm-based arguments" employed by the supporters of enlargement to "shame their opponents into norm-conforming behaviour" (2001: 48). Schimmelfennig takes the two components of Moravcsik's tripartite analysis of integration decisions, formation of state preferences and interstate bargaining, and applies it to the Eastern enlargement process and attempts to prove that even though these two elements of widening the EU conforms to rationalist expectations, the third one, the choice of international institutions, differs from the pattern.

Schimmelfennig divides the EU member states into two categories according to their stance on enlargement: drivers who supported an early and full commitment to it and brakemen who were reluctant and tried to postpone a firm decision. The divide of member state preferences is explained by their geographical position as the countries bordering Central and Eastern Europe, such as Germany, Austria, Denmark and Sweden, had more interest in the stability and security of the region to protect themselves from any exported crisis. They also had more to gain from enlargement in economic terms than remote states such as Ireland, Spain or Portugal, due to the diminishing transportation costs and increasing trade with the CEECs. To explain the position of Italy and Greece, who were geographically close to the applicants but acted as brakemen in the process, Schimmelfennig uses a socio-economic approach. As the CEECs were similar to the largely agricultural and less highly-developed member states like Italy and Greece who specialized in the same sectors, the concerns of trade and budget competition from the applicants led these states to oppose the enlargement process. In addition to the socio-economic aspect, the prospect of structural and cohesion fund transfers to the CEECs as well as reform of these policies along with the CAP, made the net recipients of financial support side with other brakemen regardless of their geographical position. These states included not only Italy and Greece but also Spain, Portugal and Ireland who due to their distance from the region had practically no stake in the enlargement in the first place.

In France's case Schimmelfennig argues it was not the material interests or security concerns that drove the member state into reticence but the prospect of a shift of power in the region. With the accession of the CEECs, Germany would not only increase its material benefits but extend its sphere of influence also as it was thought that applicants would side with their neighbours in decision-making, tipping the EU's balance in favour of the member states bordering Central and Eastern Europe who would be the winners of enlargement both financially and geopolitically. Britain seemed to be the only member whose behaviour did not fit in this particular pattern. But even its preferences were set by rationalist calculation of diluting the level of EU integration by supporting a large-scale enlargement, as the "Europhobia" of the

Conservative governments leaned towards widening to halt the supranationalization of the Union and to make it more intergovernmental. Therefore, Schimmelfennig concludes that while member states had divergent reasons for supporting or opposing a commitment to Eastern enlargement, they all acted for their self-interests as rationalism dictates. Hence it was no surprise the CEEC applications to become members of the Union “resulted in association, the applicants' acceptance of the highest level of cooperation on which the member states could agree” (Schimmelfennig, 2001: 56) due to a lack of sizeable incentive for brakemen or a convincing threat which could have bought their consent.

Schimmelfennig explains the decision to move on from association to accession negotiations with a sociological institutional approach and argues that because the European Union was the main organization of the European international community, it would be open to admitting applicants who share the same values as it does. These values have been expressed and reinforced throughout the Community's history and enshrined in its Treaties which state the conditions of democracy, the rule of law, human rights, open-market economy and adoption of the entire *acquis*. In the sociological institutionalist perspective, which Schimmelfennig claims the EU took, these common values are both necessary and sufficient for enlargement whereas in rationalist approaches, sharing a community of values is by no means a guarantee for accession especially in the absence of incentives or credible threats. Therefore, according to Schimmelfennig, the link between self-interested state preferences and a utility-maximizing initial policy outcome, and a value-driven decision which eventually started the accession process is the “rhetorical action” mechanism.

Schimmelfennig's rhetorical action theory presupposes three elements: a community with certain values and norms which create a collective identity; a standard of legitimacy which limits the scope of exercising political power as rightful or improper; and a mode of interaction which allows members of the community to argue and forces them to justify their actions in the framework of their shared identity. In such a community, members can support egoistic goals so long as they obey the

standard of legitimacy and shame their opponents into compliance. Shaming as a soft mechanism for social influence is exercised in institutions when the compliance of the members cannot be ensured by coercive sanctions applied by a central authority structure, which is lacking in international systems. Thus, shaming is utilized as “public exposure of illegitimate goals and behaviours” (Schimmelfennig, 2005: 156) by the members of this international system and the beneficiaries of the type of behaviour which is considered legitimate. In the cases of deviation from a previously expressed commitment, shaming becomes more effective and consequently, community members can become “trapped” by their statements and arguments even though they put them forward for their self-interested reasons in the first place.

Schimmelfennig argues that rhetorical action and shaming do not fit into either rationalist or constructivist moulds. The fact that community members can be shamed means they care about the legitimacy of their actions and the identity of the community they belong to. On the other hand, the fact that they have to be shamed into appropriate behaviour means they primarily pursue selfish goals and do not actually internalize the community's values but refrain from improper actions, which only creates a negative consensus just as Sedelmeier also states. In his explanation of why the European Union made the decision to enlarge to the CEECs, Schimmelfennig also utilizes Fierke and Wiener's approach of analyzing the speech acts of the Heads of State and Government, the Union policy-makers and official documents to demonstrate that these led to a commitment on the EU's side for Eastern enlargement, which was used by the drivers (Germany, Britain, Sweden, Denmark and Finland) and CEE applicants to silence the brakemen (France, Greece, Ireland, Italy, Portugal and Spain) leading to a “rhetorical entrapment”.

The European Union's commitment to the Eastern enlargement came with the European integration's foundations on liberal ideology and identity with a pan-European vocation. Declarations of the Community and member states throughout the Cold War, which were mostly “a cheap opportunity ... to reaffirm their allegiance to the community ideology”, further established a clear public commitment morally,

giving the CEECs chance to interpret these statements as a promise to support them in their democratic and economic transformations and to open the way for accession (Schimmelfennig, 2005: 158-9). The CEECs and supporters of enlargement among the member states argued for opening of negotiations and eventual accession from three different aspects according to Schimmelfennig: manipulating European identity by claiming that CEECs belonged to Europe not only geographically but also politically and historically as they shared the same values, norms and culture; manipulating accession criteria by arguing that the EU should prioritize political conditions over economic criteria and a lack of precise timetable for enlargement only creates disenchantment with the transition process in the applicants; and exposing inconsistencies between the EU's rhetoric and its actual attitude towards the CEECs and putting the Union's credibility into question. Schimmelfennig also states that CEE applicants compared their situation with the previous rounds of enlargement and claimed that while Mediterranean countries received a political settlement, CEECs were being forced to adopt complex economic criteria to even start negotiations (Schimmelfennig, 2001: 70).

Even though the rhetorical arguments of the drivers and CEECs did not change state preferences, they made explicitly opposing the goal of enlargement much more difficult, a process Schimmelfennig calls “rhetorical entrapment”. He claims that brakemen could not question the grounds on which the arguments for enlargement rested because that would have meant rejecting the core values and norms of the European Union. They, however, tried to underline other values such as protecting the integration process of the EU and stated that an enlargement round of this scale may jeopardize the progress Union has made, which led to a widespread debate on widening versus deepening. Brakemen found it hard to question the credibility of drivers as well due to Germany's involvement, who had always been one of the champions of European integration and further deepening. The adherence of some applicants, such as Slovakia, Bulgaria, and Romania, to European values were called into question regarding their undemocratic regimes or sluggish reform process. The intention of the drivers was never to admit any authoritarian state, however, and in

the cases of Bulgaria and Romania, the EU still ended up having to offer Europe Agreements to these countries due to political and security concerns despite the shortcomings in their reform process.

Starting with the granting of Europe Agreements, the acceptance of the enlargement principle was furthered incrementally by the policy-makers in the Union and the driver member states. The Commission's two reports in the build-up of the Copenhagen European Council in 1993 supported the opening up of negotiations and proposed offering the membership carrot as an incentive to help the CEECs with their transition, appealing to the identity of member states and the Union as a benevolent stabilizing force at the same time. The decision to enlarge was taken with the stipulations of the Treaty of Rome in mind with little to no debate on the pros and cons of enlargement<sup>18</sup> as turning away the CEECs would be rejecting the core principle that any European state who met the relevant criteria could become a member. Northern and Southern member states, such as Denmark, Italy and Sweden, who were not satisfied with the Commission's selection of mostly Central European states for the opening of first round of negotiations in the Agenda 2000 document also appealed to the Union's pan-European vocation for a more inclusive approach to negotiations instead of bringing up their own self-interests, adding legitimacy to their argument which received acceptance on the EU level and led to the so-called accession process. Schimmelfennig concludes that

by argumentatively 'entrapping' the opponents of a firm EU commitment to Eastern enlargement, [supporters of enlargement] thus brought about a collective outcome [in 1993] that would not have been expected as the result of the constellation of power and interests.

(2005: 166)

Moravcsik and Vachudova dispute the constructivist claims which argue that norms and values triumphed over economic and geopolitical interests in making the decision to enlarge by stating that “it is easier to indulge in rhetorical idealism” when the economic impact of Eastern enlargement on the Union is modest and when the

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18 Such a debate was to be initiated after the publication of the Agenda 2000 document.

enlargement is expected to bring material and security benefits in the long run (2005: 204). According to Moravcsik and Vachudova, the CEECs represented less than 5 percent of the EU GDP, meaning their accession would not constitute a threat for the Union financially. On the contrary, Eastern enlargement was expected to extend the EU's internal market by adding 100 million new consumers, meaning a profit of €10 billion for the existing member states (2005: 204). The applicant countries were also in favour of becoming members because the EU's accession requirements helped them establish well-functioning market economies and consolidate their democracies by promoting reforms such as independent civil and judiciary systems free of corruption, and a better oversight of financial markets (2005: 202).

Therefore, Moravcsik and Vachudova argue that both member states and the applicants acted in accordance with their self-interests after assessing the possible consequences of enlargement on their economies and domestic politics. The fact that both parties believed they would benefit from enlargement explains the CEECs willingness to adopt and implement the complex *acquis communautaire* even in the absence of favourable terms for accession due to the reduced financial support they would receive from the Union in the first few years of their membership and the long transitional period for free movement of workers. These reduced terms of accession also explain the asymmetrical power the EU had in bargaining, as the applicants had to accept the greater financial burden of enlargement before and after their entry to the EU when the assent of the reluctant member states had to be bought with a compromise.

Smith also argues that a sense of responsibility towards the CEECs does not quite explain the decision to enlarge nor does it fit with the EU's insistence that applicants meet most of the membership conditions to even start negotiations (2004: 188). These conditions were used to protect the member states from any possible financial fallout stemming from enlargement and to resolve regional disputes the CEECs had with one another. She claims the political and security concerns played a major role in accepting the prospect of enlargement at the Copenhagen summit and the

following decisions to open negotiations at Luxembourg and at Helsinki even though Bulgaria and Romania were clearly not ready for membership. However, it could be argued that neither Moravcsik and Vachudova's nor Smith's geopolitical interest claim makes perfect sense when the member states who share no borders with the CEECs and hence would suffer little from spillovers of any regional conflict agreed to the enlargement. Besides Sjursen claims that

[Security] arguments take the shape of concerns for the security of Europe as a whole, and not for the security of particular states or of the EU exclusively. Further, the desire for 'security' is linked to 'peace' and 'stability' and articulated as a common good that addresses all of Europe ... [These references] are implicitly, or sometimes explicitly, linked to a collective experience of intra-European war. Thus, it is a matter of Europe being threatened by itself, and of Europe overcoming its own past, and not a matter of Europe being threatened by actors or factors outside of itself as the expectation would be from a Realist perspective.

(2006: 211-2)

It could also be argued that Schimmelfennig's rhetorical action theory does not disregard the self interest-driven behaviour of member states in supporting the Eastern enlargement as Schimmelfennig problematizes the initial decision to enlarge only. Neither Moravcsik and Vachudova's nor Smith's arguments explains why the principle of membership became the only option so quickly rather than continuing with association through which the EU's ambitions could still be served, though not infinitely. Therefore, adding a temporal dimension to the analysis of why the Eastern enlargement became inevitable seems quite helpful at this point.

The years between the break-up of the Soviet Union and the acceptance of the membership principle for the CEECs at the Copenhagen summit (1989-1993) was a period of prioritizing the Union's interests against the CEEC preferences, which fits well with Moravcsik and Vachudova's liberal intergovernmentalist perspective. The signing of the Europe Agreements allowed for the association of the CEECs with the EU and gradually made them a part of the single market without including the sectors member states found to be sensitive such as agriculture, textiles, coal and steel.

The period between the endorsement of the membership prospect at Copenhagen and the publication of the composite paper on enlargement 'Agenda 2000' (1993-1997) was a time for the EU to make good on its promises to the CEECs by acknowledging that as the main institution of Europe, whose identity relied on liberal democratic values, enlargement to states who shared the same values was an integral part of its *raison d'être*. That is not to say some member states did not act out of selfish reasons for backing the accession of the CEECs; but the fact that they, along with the Commission policy-makers, could shame the opposition to accepting the enlargement means there is an appropriate kind of conduct which all the actors in the Union's framework has accepted. Therefore, the decision taken at Copenhagen made way for a more identity-driven behaviour in the Eastern enlargement process, which fits well with Fierke and Wiener, Sedelmeier, and Schimmelfennig's account of social constructivism.

In line with taking the reluctance to expand the EU into consideration, however, it can be concluded that after the Commission's assessment of the effects of enlargement on the Union's policies, budget and institutions, a race to prepare them for the inclusion of ten new members started (1997-2002). This period, which ended with the entry of the CEECs to the Union, was used by the member states not only for solving the problem of effectiveness in the EU's institutions with the signing of Amsterdam and Nice Treaties but it was also utilized as a delaying tactic for concluding the accession negotiations.

## **CHAPTER 5**

### **CONCLUSIONS**

Enlargement has been an ongoing issue for the European Union since the application of the United Kingdom, Ireland, Denmark and Norway for membership in the late 1960s. Today, the EU boasts of twenty-eight members which joined the original six: Belgium, Germany, France, Italy, Luxembourg and the Netherlands. In accordance with this extraordinary evolution of an institution which was originally established as an economic community, this thesis has attempted to theorize the enlargement process, which affects the Union's policy fields and institutions comprehensively, by focusing on two elements: analyzing the impact of past enlargements with a compare and contrast perspective on the Mediterranean enlargement and Eastern enlargement; and conceptualizing the accession processes. These two enlargement rounds were selected as they were at the opposite end of the accession spectrum, which had the well-developed states such as Austria, Denmark, Finland, the UK and Sweden as members.

Mediterranean countries (Greece, Spain and Portugal) created the pattern of seeking membership to the EU (then the European Community) with the aim of consolidating democracy and establishing stronger economies after emerging from totalitarian regimes in the 1970s. They were relatively poor compared to the member states with low gross domestic product per capita and large rural sectors, which meant that they not only came from a different political background but they also had lot of catching-up to do financially to become a member of the club which was in no hurry to accept them at first. That is why, at first glance, the accessions of the Central and Eastern European countries to the Union seem like the repetition of the Mediterranean round but only on a larger scale, which is hugely misleading.

It is true that the CEECs also had to shed their authoritarian past and take the first steps to developing market economies, which stood in stark contrast to their experience with the central governance of both the political and economic life under the communist regime almost half a century. However, unlike the Mediterranean states who were ruled not by an outside hegemonic force, the CEECs were being controlled by the Soviet Union to the point that there was no room for a civil society, independent institutions and press, and an entrepreneurial class which could have helped the establishment of some semblance of a market economy like the Greek, Spanish and Portuguese upper and middle classes did in the years of dictatorship. Therefore, in addition to the fact that the sheer number of the CEECs applying to the EU made accession instantly more complex, there was the issue of these formerly-socialist states starting from a lower base than any other candidate in the history of the European integration project.

This situation was exacerbated by the reluctance of the member states, especially Germany, to foot the bill or develop policies for the CEECs, like it did for the Mediterranean states who were lagging behind with the introduction of the cohesion funds, after the reunification of Germany. Hence, in an ironic twist of fate, even though the end of the Cold War and the fall of the Berlin Wall provided the optimal circumstances for the CEECs to join the Union, it also led to a very ungenerous financial deal<sup>19</sup> upon accession which did not suit their needs. Even more importantly, the CEECs were subjected to a highly intrusive political and economic membership conditionality, which did not allow for any exemptions or substantial extension of existing structural and agricultural funds. The reason for the unprecedented level of conditionality and elaboration of the accession criteria was the advancement of the European integration in various policy areas, which in turn led to the constantly growing *acquis communautaire* of the Union. Therefore, the

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19 Structural funds transfers were capped at 4 percent of the GDP of the CEEC in question (European Commission 1997: 62-3); CEECs were to receive only 25 percent from CAP direct payments in 2004, which would rise to its full level gradually in 2013 (European Council 2002b: 5); CEECs were to get considerably less from the EU in the first three years of their membership compared to other cohesion countries: Poland, the highest paid CEE state per head of population, with €67 while Portugal, lowest paid cohesion country, was receiving €211 (Grabbe 2002b:5).

first question this thesis sought to answer was how the *acquis* evolved from the Mediterranean to Eastern enlargement.

Since the revival of the European integration project with the signing of the Single European Act in 1986, Treaty revision has been a constant occupation for the Union because each EU treaty reproduced another, either as the continuation of the same project or as its own evaluation mechanism. The SEA, which broke the growing practice of protectionism among the member states resulting from the economic crisis of the 1970s, lit the fire of a unique wave of dynamism and activism in Western Europe. The crowning achievement of this first major Treaty revision since the Treaty of Rome in 1957 was the completion of the Community's single market, of which measures and regulations became the most important and non-negotiable part of the EU *acquis*. The timing of the SEA was no coincidence, however, as the accessions of Spain and Portugal needed a balancing act in the form of further deepening and widening of the Community's competences.

The Single European Act also brought a social dimension to the Treaty by introducing an environmental policy, which was gaining interest from the general public due to the visible effects of industrial growth and unplanned urbanization, and by designing a cohesion policy aimed to redistributing the benefits of the common market to the economically backward regions in Greece, Spain and Portugal for the most part. These two new competence areas of the then Community resulted in tough negotiations in the accessions of the CEECs so much so that the environmental policy *acquis* had to be divided into two parts and be supported by transitional arrangements due to the reluctance of the member states to fund it from the cohesion policy.

The Single European Act's Preamble and Article 20 established the aim of cooperating in economic and monetary policy by urging the member states to take account of the experience acquired within the framework of the single market and the European Monetary System. Therefore, the seed of the 1992 Maastricht Treaty had

already been planted six years earlier, even before the single market was completed. Convergence in monetary policies of the member states and a single currency to supplement the single market of the Community were seen as the next logical steps in the integration process as the full potential of the free movement of capital and liberalization in financial services could not be reached with differing policies and currencies. Therefore, the Werner Plan of 1970 and its three-stage move to economic and monetary union was revived. Even though the CEECs were not required to adopt and implement the EMU *acquis* immediately upon accession, the spending in the applicant states on infrastructure, social security, environment, health and education was done with an eye to meeting the convergence criteria.

The Maastricht Treaty also created the structure of the European Union as it is today by introducing the three pillar system and adding the common foreign and security policy, and justice and home affairs to the EU's competence areas to strengthen its democratic legitimacy and to improve its capacity in meeting the security challenges mostly caused by the instability in Eastern Europe after the end of the Cold War. While the CFSP pillar of the Union did not particularly pose big problems for the CEECs due its intergovernmental and vague requirements such as adopting the common positions of the EU and conforming their prior international treaty obligations to the *acquis communautaire*<sup>20</sup>, transposing and enforcing the justice and home affairs legislation became a daunting task for the applicants after the communitarization of most of this pillar and incorporation of the Schengen system to the Treaty at the Amsterdam summit in 1997.

The Maastricht Treaty, which was signed partly with the upcoming EFTA enlargement in mind, became the basis for Austria, Finland and Sweden's accessions to the Union but not for the CEECs'. It was thought that unspecified membership conditionality of the EU, which still required the presence of a European identity and the added criteria of liberty, democracy, respect for human rights and the rule of law

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<sup>20</sup> Even though the new member states of the European Union are not required to revise or denounce their prior treaty obligations upon accession by default, these obligations shall be examined to assess their compatibility with the EC Treaty (Cremona, 2003: 163).

at Maastricht, was not enough for the Eastern enlargement process. The member states were concerned about the prospect of massive migration from the CEECs as well as the EU's budget, which would not be able to afford an enlargement of this scale. The biggest issue, however, was the tension between protecting the Union's level of integration and how the existing member profited from it, and the goal of extending the EU's membership to states who were in need of guidance and support on their way to democratization and economic modernization. Therefore, the second question this thesis attempted to deal with was illustrating how the European Union and the applicant states from Central and Eastern Europe overcame this dilemma, which presented itself as a debate on widening versus deepening, by focusing on the pre-accession phase of the CEECs.

The adoption of the whole EU *acquis communautaire* has always been the membership requirement for any applicant and the burden of transposition was on the aspirant countries. In the Eastern enlargement, however, the Union put a special emphasis on the pre-accession process to protect the integrity of the *acquis* by making its adoption *and* enforcement an obligation for the CEECs. This was a clear signal of the mistrust member states harboured for the applicants, and it also hinted at the reluctance they felt towards further enlargement as while the readiness of the previous applicant states to join the EU “was something to be determined by negotiation” (Grabbe, 2002a: 264), CEECs were expected to meet the Union's demanding agenda which had grown in accordance with the evolution of the *acquis*. Therefore, the pre-accession of the CEECs was laced with a particular set of criteria for every step of the way, which meant they had to jump through the hoops of trade and cooperation agreements, PHARE aid, Europe Agreements and Accession Partnerships. This process of unprecedented length and complexity was the Union's solution to the widening and deepening debate.

It is true that all of Greece, Spain and Portugal were expected to meet some political criteria such as having democratic regimes, and respecting the rule of law and human rights. However, the benchmarks used to evaluate how they met these criteria were

never revealed as the Commission reports only mentioned the restoration of democracy in these states but were mostly concerned with the socio-economic situation of the applicants<sup>21</sup>. The historic Copenhagen European Council of 1993 not only codified the political, economic and legal criteria for membership, the following composite enlargement paper of the Commission, Agenda 2000, also specified what meeting these criteria entailed. The Commission then supplemented its own work with annual regular reports which constantly monitored and updated the status of the candidates, meaning that no state's success in this process was done and dusted until they became EU members. This practice was virtually unheard of in the other four enlargement rounds of the Union.

The lack of trust and the applicants' level of development, which resulted in tough conditionality for the Central and Eastern European countries, were not the only reason for the criteria laden pre-accession process. The Copenhagen European Council of 1993 had also put the burden of institutional and policy reform on the member states by declaring that extending the EU's membership could not come at the cost of European integration's momentum. The prospect of ten CEECs joining the Union exposed the limits of incremental changes and arrangements made to the functioning of the EU institutions and showed that some policy areas, such as the Common Agricultural Policy and structural funds, were due a much-needed reform. Therefore, member states used conditionality to buy time for internal tidying-up exercise, which proved very difficult to agree on. Even though the principle of reforming and adapting the Union's structures and policy regimes in anticipation of enlargement was accepted by all member states and this issue was discussed throughout the 1990s, the insistence of some member states on protecting their own privileges led to a very unsatisfactory reform process.

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21 Even though the member states confirmed their commitment to representative democracy, the rule of law and respect for human rights in the Copenhagen European Council of 1978 and made these values requirements for membership, none of Commission's Opinions on Greece (1976), Portugal (1978b) or Spain (1978c) went further than noting democracy in these states was an established fact and did not explain how these applicants achieved their status.

Conventional wisdom suggests that enlargement inevitably puts integration at risk. However, until the CEEC accessions, all enlargement rounds were accompanied by deepening whether in the form of the Paris European Council of 1972 which set the goal of achieving economic and monetary union and correcting the regional imbalances, or the Treaty revision in 1986 and the signing of the Maastricht Treaty in 1992. The Amsterdam Treaty of 1996 and the Nice Treaty of 2001 failed to match the challenge the Eastern enlargement posed with sufficient reforms, however. Even though the Amsterdam summit agreed on communitarizing a substantial part of the justice and home affairs pillar and incorporating the Schengen system to the Treaty, this could also be seen as a self-interested move by the member states who succeeded in making the *acquis* in this policy field a requirement for the applicants as well, and delaying the question of opening the membership negotiations with all the CEECs for a little longer as demonstrated by the conclusions of the Luxembourg European Council of 1997.

The IGC which culminated in the signing of the Nice Treaty was even more of a disaster as the Union was at the eleventh hour for solving the institutional problems. The summit became a battleground which pitted the small against large member states and only made the EU's decision-making processes even more complex, however, which, along with the budgetary arrangements and redistribution of funds decided at the Berlin and Copenhagen summits in 1999 and 2002 respectively, made for an enlargement round not with a vision but with an array of last-minute corrections. The failure to reach an agreement on comprehensive institutional and policy reform could be explained by the difficult ratification process the Maastricht Treaty went through. It was first rejected by the Danish voters and only passed in a second referendum after Denmark secured an opt-out from the single currency. French voters then ratified the Treaty but only by a very narrow margin, which signalled the unpopularity of the integration process among the general public. The support for the further reform of the Union and the extension of its competences waned, which in turn affected the success of future Treaty revisions. The Maastricht Treaty became the watershed moment in the European integration project where the

EU entered a new age of scepticism and this turning point for the worse was compounded by the lack of enthusiasm for the Eastern enlargement.

The echoes of the Maastricht ratification crisis continued to be heard after the Nice Treaty, of which insubstantial range in agenda and limited innovation in enhancing the decision-making process of the Union created the need for a new dialogue on the future of European integration with the acceding CEECs. Immediately after the signing of the Nice Treaty, debate on further institutional reforms begun as the enlargement to three more countries was on the horizon (Turkey, Croatia and Macedonia) (Amttenbrink, 2007: 115) which could not be carried out by the legal framework put in place at the Nice summit. The Declaration on the Future of the European Union adopted at the Laeken European Council of December 2001 stated that the Union needed to be more democratic, more transparent and more efficient in the face of challenges posed by an enlarged EU. The following constitutionalization process, which culminated in the adoption of the Constitutional Treaty on 29 October 2004, ended in failure after its rejection in France and the Netherlands in 2005. The negative result of the French and Dutch referanda has been interpreted as both “enlargement blues” caused by the fatigue of CEEC accessions and “enlargement fears” mostly directed against Turkey's membership prospect, which led member states to question the enlargement plans and long-term objectives of the Union (Blockmans, 2007: 59-85). The unsatisfactory Lisbon Treaty, which revised the Maastricht and Rome Treaties unlike the ambitious European Constitution aimed to replace all EU treaties signed before it, became a yet another amending Treaty falling short of reconciling EU's Eastern enlargement with equivalent reforms.

What made the Mediterranean and Eastern enlargements similar were, therefore, not the negotiation and accession processes, but the reason the applicant countries attached themselves to the goal of membership and how they succeeded in reaching that goal. Hence, the third issue this thesis sought to shed light on was the recurring feature of the logic of enlargement which saw the admission of formerly authoritarian regimes. Greece, Spain, Portugal and all of the CEECs were cut off

from the European integration project until the collapse of their undemocratic regimes. Greece's case showed the importance the member states and Community institutions attached to democracy explicitly with the suspension of its association agreement signed before the military junta came into power. Hence, Greece became the flag-bearer for states who aimed for membership to the Community to consolidate their democracies and to modernize their economic systems. What worked in favour of Greece in its enlargement process was its success in separating itself from the upcoming membership negotiations of Spain and Portugal, which was gearing up to be messy especially for the former (Preston, 1997: 68) and actually delayed Portugal's accession to the Community for a year. Therefore Greece was able to escape the fate of the CEECs who were mostly treated as a block and not on an individual basis (except at the opening of negotiations at the Luxembourg and Helsinki European Councils and exclusion of Bulgaria and Romania from accession with other eight CEE states).

Another factor which played an important role in Greece's accession to the EC was the perception that the European Community had to restabilize the country in the face of the Soviet threat, and help Greece in its transition to democracy despite its economic backwardness. This perception had been born in the years of the junta regime when the leaders of the member states and EC institutions repeatedly declared their support for a democratic Greece who could take its rightful place among other European states only if it could get rid of the shackles military junta placed on the country.

After the fall of the Colonels, the Community was taken at its word by Karamanlis-led Greece who argued that member states had a moral obligation towards the country even though the EC would hardly benefit from the enlargement economically and not all member states were interested in the geopolitical implications of a Greece who could turn its back on the West (Karamouzi, 2013: 22). Combined with the Community's own rhetoric in the 1960s and 1970s of being a value-based entity who aimed to promote democracy, the rule of law and human

rights, the member states became trapped in a dilemma of either making Greece wait until it reached a certain point of economic development but losing legitimacy and credibility in the process, or accepting Greece as a member unconditionally but facing the risks of prioritizing political concerns over economic ones. The member states clearly chose the second option by rejecting the Commission's proposal of establishing a pre-accession stage for Greece, which was (as noted above) not the case for the CEECs who applied for membership after the Greece experience and a considerable evolution of the *acquis communautaire*.

To be sure, member states were not exactly enthusiastic about Greece's entry to the EC and, as the circumstances surrounding this enlargement changed with the prospect of Spain and Portugal also becoming members, the support for Greece's accession plummeted further. However, no member state wanted to be the odd one out by opposing an enlargement aimed to consolidate Greece's democracy, which the Commission defined as being intimately related to the evolution of the country's relationship with the Community (1976: 9). Therefore, the Greek accession to the EC became the first instance of norm-based arguments, such as the promotion of liberal democratic values and European identity, and promises made being used as a way to shame the reluctant members into silence by the applicant state as well as its supporters, France and Germany. Member states were rhetorically trapped in a discourse created in Greece's absence from the European integration project and the appropriate action they could take in the face of application from Greece was limited.

This pattern of behaviour fits Frank Schimmelfennig's rhetorical entrapment theory in that the Community was not driven by purely selfless aim of supporting Greece's transformation to democracy because it was a part of the European family of nations. Geopolitical and strategic situation of Greece, as well as the fact that its accession to the EC would not create problems which the member states would not be able to solve, were taken into consideration. However, Council of Ministers' outright refusal of the Commission's pre-accession proposal and opening up of accession negotiations with Greece almost immediately upon its transition to a democratic

regime suggest that the member states felt obligated to accept the country as a member without further conditionality. The justification of Greece's membership on political grounds also made Spain and Portugal's accessions inevitable as the possibility of EC excluding these two undeniably European countries just when they needed the Community's guidance both politically and economically, like Greece did, was simply unthinkable. This is in stark contrast to Turkey's situation, who did not benefit from the Community's identity as a democracy promoter because the same moral obligation played no part in its relationship with the Community due to the dubious nature of its 'Europeanness'.

The accession of the Central and Eastern European countries to the European Union was definitely more complex than the Mediterranean enlargement for reasons already explained earlier in this chapter. However, they also aimed to 'return to Europe' by establishing liberal democracies and market economies like Greece and the Iberian member states, which was even more ambitious and symbolically important than the previous enlargement rounds of the European integration project. The gravity of the situation was hardly grasped when the Soviet Union collapsed, however, as the member states were caught by surprise and without any plans on what to do with the newly-independent CEECs who made their intentions of becoming members quite clear early on.

The large member states of France, Germany and the UK all had their own particular agenda and a coherent policy for assisting the formerly-socialist states was created incrementally first by the PHARE programme then the Europe Agreements, which were deliberately far-reaching compared to the other association agreements of the EU and required specific criteria, to deter the CEECs from seeking enlargement for a while. Member states themselves were unable to follow the conditionality they set with the Europe Agreements after the coup attempt in the Soviet Union in 1991, which had an effect on the quickening of the relations between the EU and the CEECs similar to the coup in Spain had a decade earlier. Hence, Bulgaria and Romania also became associated countries of the Union due to concerns over the

security of the region even though they had not made the necessary progress in democratic and economic reforms unlike Czechoslovakia, Hungary and Poland. The first leap on the road to accessions of the CEECs to the EU came after this point.

The aim of the European integration project was established as promoting peace and security in the continent with calling upon the other nations of Europe who shared their ideal to join in this effort in the preamble to the Treaty of Rome. This project had liberal principles of social and political order as its basis supplemented by a market economy and respect for human rights. Therefore, in the Cold War era, it was not possible for the Central and Eastern European countries to join the European Community, which left the integration project unfinished and the continent divided. Even though the collapse of the Soviet Union was met with enthusiasm and eagerness to establish closer ties with the CEECs, in 1991 when the first Europe Agreements were being negotiated, enlargement was still seen as a very distant prospect as demonstrated by the unwillingness of the member states to insert a clause acknowledging the aim of accession for the CEECs in the Europe Agreements. The coup attempt in the Soviet Union, along with the unrest in Yugoslavia, proved that CEECs could fall off the wagon quite easily if they were left to their own devices and their transformations to liberal democracies were not supported by the European Union.

Urged by the Commission to offer the carrot of membership to the associated countries to make their political and economic transitions more bearable (1992, 1993) and pressured by the CEECs who attached a great psychological importance to the aim of 'returning to Europe', the Copenhagen European Council of June 1993 accepted the principle of enlargement to those states who met the famous Copenhagen criteria. As Helmut Kohl stated without the CEECs, who were unquestionably European, the EU remained “merely a rump”:

The unity of Europe should not be simply a matter of the intellect, it must also be a matter of emotions, of the heart. It means a vision with a spiritual and cultural dimension. This Europe, on which we continue to work, must remain aware of its

spiritual foundations: its traditions, its history, its values and the heritage of antiquity of the Christian West. The shared culture of our continent is the source of the European idea – core is the assurance of peace and freedom.

(In the foreword to Monar and Wessels (2001))

Therefore, the decision to enlarge was taken with no states opposing it as it not only involved the commitment to accept members who shared the European ideal, but also the future of peace and security in the continent, which concerned the bordering member states like Germany, Austria, Denmark and Sweden more than it did geographically distant members such as Ireland, Spain and Portugal. However, the fact that the founding fathers of the European integration project proclaimed the eligibility of any *European* state to membership on the condition that it met the membership criteria meant that reluctant member states had to accept the prospect of enlargement, or run the risk of being named as the antagonists who prevented the almost half a century-long aim of ending the East-West divide in Europe.

Hence, the Copenhagen summit put the Union and the CEECs on the road to enlargement and resulted in the establishment of an improved pre-accession strategy at the Essen European Council in 1994 and the signing of the Amsterdam Treaty which aimed to prepare the EU institutions for the Eastern enlargement. Despite the disappointment this Treaty caused in terms of its lack of decision on enhancing the decision-making capacity of the Union, the original intention of starting the initial phase of membership negotiations with the CEECs was carried out according to the plan set at the Madrid summit of December 1995. The composite paper of the Commission recommended the opening of negotiations with the Czech Republic, Estonia, Hungary, Poland and Slovenia due to their compliance with the political criteria as none of the applicants was ready for membership economically just yet, and only the Czech Republic, Hungary and Poland were judged to be able to adopt and enforce most of the *acquis communautaire*.

However, as the Commission's selection of these applicants was framed as the result of a meticulous and thorough assessment of the CEECs capabilities, arguing for a

smaller negotiation round (which was the aim of Germany and Benelux countries) became impossible. Before the publication of the Commission's composite paper on enlargement, the inclusion of Estonia and Slovenia was not at all a foregone conclusion. But a negotiation round which had a Baltic (Estonia) and a southern state (Slovenia) to balance out the Central European core of the Czech Republic, Hungary and Poland was deemed necessary to make the enlargement process more inclusive (Podraza, 1997: 22-3).

Even the Commission's proposal was not widely accepted, however, as Sweden, Denmark and Italy, along with the other five CEECs who were not included in the negotiation round, questioned the objectivity of the composite paper Agenda 2000. The supporters of the regatta option (Sweden, Denmark and Italy), who claimed that the European Union was only drawing new dividing lines and risking the stability and security of the continent, invoked an emotive appeal directed to other member states and the Commission (Friis, 1998: 8). As Kohl stated above, the Union was an assurance of peace and freedom, which should be available to every European state. The Commission's report had demonstrated that the EU was ready to begin negotiations with applicants who would not be able to meet the second (functioning market economy) and third (the ability to take on the obligations of membership) Copenhagen criteria in the short term. Therefore, driving a wedge between applicants was not only dangerous and averse to what the EU stood for (hence illegitimate) but also unnecessary.

The Luxembourg summit of December 1997 was thus tasked with finding a middle ground between the Commission's recommendation and the proposal of Sweden, Denmark and Italy. The member states were aware that they could not delay making a decision any longer as the initial opening of negotiations with the CEECs (to be carried out simultaneously with Cyprus and Malta's) was scheduled by the Madrid summit of 1995, and failing to reach a compromise could be interpreted as a lack of commitment to enlargement. In the end, the Luxembourg European Council decided to start negotiations with the five CEECs as the Commission set the fulfillment of the

political criteria as a condition for the accession negotiations in its Agenda 2000 document. However, the Council also launched an accession process which included all the applicants in line with the wishes of Denmark, Italy and Sweden for a more inclusive process. More importantly, the Council made the Commission responsible for the screening process, which was normally reserved for the countries negotiating accession to the EU, of all the CEECs.

With the conclusion of the Luxembourg summit, the first leap in the Eastern enlargement was complete. The past rhetoric of the European integration project, which had based itself on the unification of Europe and its historical and traditional values, first led to the enlargement principle's acceptance at Copenhagen in 1993, then to fulfillment of this promise at Luxembourg on more agreeable terms for the applicants.

The second leap in the accession processes of the Central and Eastern European countries came at the Helsinki European Council of December 1999. In the run-up to the Helsinki summit, the ramifications of the Kosovo crisis, which led to a NATO intervention in the region in March 1999, presented themselves in the changed tune of the European Commission. Romano Prodi, President of the Commission at the time, proposed a shift from the policy Luxembourg European Council decided to carry out, which Prodi himself defined as “taking the hard-line approach” (European Commission, 1999b). Therefore, he recommended the European Council to open accession negotiations with all candidate countries which fulfilled the Copenhagen political criteria and proved they were ready to take the necessary measures to comply with the economic criteria to reward their great efforts and sacrifices. Prodi's recommendation included the laggard states of Bulgaria and Romania, who were trailing behind other candidates in terms of economic performance as well as on specific issues like nuclear energy and social policy (as noted in Chapter 4). Prodi justified their inclusion by stating that

Rarely in the course of history does an opportunity like this present itself. For the first time since the fall of the Roman Empire we have the opportunity to unite Europe - and this time it will not be by force of arms but on the basis of shared ideals and agreed common rules.

Now, as never before, and perhaps as never again, we have the chance to create a Europe in which all the peoples of this continent can live together in peace, security, freedom, justice and equality.

(European Commission, 1999b)

Hence, the momentum of the enlargement process had to be kept up by offering the five remaining CEECs (Bulgaria, Latvia, Lithuania, Romania and Slovakia) the membership carrot to prevent any diversion in these states from democracy and human rights, which would have meant a massive failure for the EU. Prodi also opened the way for the eventual membership of Albania and other countries of the former Yugoslavia to the EU, who were seen as members of the European family of nations already. In line with his proposal for a bigger negotiation (and accordingly enlargement) round, Prodi urged the European Council in Helsinki to commit itself to accomplishing the necessary institutional reforms by the end of 2002.

The Commission's change of policy to recommend the opening of membership negotiations with all the CEECs could also be interpreted as a solution to the growing need for effectively managing the problem of differentiation among the candidates by deferring it to a later stage in accession process. The risk of a serious tension which could derail the process due to the inclusion/exclusion dilemma was absent in the Mediterranean round as Greece was already on the verge of concluding negotiations with the Community in 1979 when Spain and Portugal were only starting out after the Commission's Opinion on their membership in 1978. Even though the EU had planned to conclude negotiations on a case-by-case basis for candidates who met all the membership conditions, this proved to be infeasible for two main reasons (Smith, 2003: 129). First, even though Poland was less prepared for accession than other CEECs (Sjursen, 2002: 505), it had to be included in the enlargement process as a forerunner because of what its reunification with Europe represented for the Union's primary aim of promoting peace in the continent. Second, accession of candidates to the EU one by one would require constant recalculation of

the qualified majority voting threshold and redistribution of seats in the European Parliament, which was highly impractical (Smith, 2003: 129).

With the Helsinki summit's endorsement of the Commission's recommendations and the successful conclusion of the Intergovernmental Conference in Nice, which culminated in the signing of a Treaty arranging the institutional issues of the Union, all the obstacles to the accessions of the CEECs to the EU were eliminated. The prospect of an enlargement round which included all the CEECs except Bulgaria and Romania gathered pace after the Helsinki summit and the Seville European Council of June 2002 stated that the EU was determined to conclude negotiations with the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia by the end of 2002, which was achieved at the Copenhagen European Council of December 2002. The conclusion of the negotiation process with an unprecedented number of ten candidates (eight CEECs and two Mediterranean states, Cyprus and Malta) “signalled that the imperatives of widening outweighed those of deepening” (Smith, 2003: 130).

The fact that the member states and EU institutions started from a point of divergent interests and reluctance to even acknowledge the prospect of CEEC membership but reached an agreement on not only offering the carrot of eventual accession but also deliberately speeding up this process can be explained by the same logic which was utilized in the Mediterranean enlargement: the self-imposed requirement to act in the limits of what is considered appropriate given the European Union's conception of itself and of what it represents (Sjursen, 2002: 495).

It is true that not all member states were in favour of such a “big-bang enlargement” and played the role of brakemen (as Schimmelfennig put it) by bringing up the *acquis* and institutional reform aspect to the CEEC membership. The economic benefits the Eastern enlargement would bring in the medium to long term also cannot be denied as the Union's attractiveness grew as an internal market of over 500 million consumers, who secured its immediate neighbourhood against instability and

conflict by using enlargement as a foreign policy tool. These benefits do not explain the lack of rejection from member states such as Ireland, Greece, Spain, Portugal and, to a lesser degree, France, however. The economies of the first four cohesion countries were not only agriculture-based like the CEECs but they also stood to be the losers of this enlargement due to their structural funds getting reduced and their geographical distance from the CEECs. However, as the Spanish Foreign Minister from 2000 to 2002, Josep Piqué i Camps, put it

We regard enlargement as a serious political project for the reunification of a Europe that can only be conceived of as united. We cannot conceive of Europe without Warsaw, Budapest, or Prague; it would be a partial Europe in little accordance with her history ... Europe has been our political horizon, our reference of progress, liberty, democracy and social justice. We regarded Europe as the way to consolidate our democracy and advance in structural reforms ... A country with this perspective cannot deny the same prospect to the current candidates.

(quoted in Piedrafita, 2006: 56)

Therefore, denying the CEECs membership, when the Mediterranean states themselves gained accession to the EU by appealing to the obligation of the member states on supporting the applicants who were in need of an anchor to stabilize and modernize them, appeared illegitimate. The same was true for all the other reluctant member states as the European integration project's *raison d'être* limited the range of appropriate actions they could take. As the founding Treaty of the European Community had committed its members to admitting any European applicant that met its membership criteria, and as the EU was finally on the cusp of achieving a historical aim of becoming the organization for all Europe and not just the Western Europe, opposing the Eastern enlargement became impossible. It could be argued that the European Union's original aim of bringing peace and security to the whole continent which lost some of its meaning and shine in the 1970s, came to a full circle with the collapse of the Soviet Union and the applications of the CEECs for EU membership.

The way Eastern enlargement was justified fits the pattern of Frank Schimmelfennig's rhetorical entrapment theory. The agreement on going ahead with

the accessions of the CEECs was born out of a negative consensus among the member states, as in they did not want to be seen as not conforming to the core values and norms of the European integration project. The fact that the CEECs had the support of larger member states such as Germany and the United Kingdom, along with the Commission's sympathy to their cause, forced the hands of the brakemen into compliance.

The main conclusion of this thesis is that even though the Eastern enlargement, which was marked by its intensity in membership conditionality, was not popular with the general public and did not have the support of all member states, the European integration project's past rhetoric and experience created a sort of climate in which the European Union's obligation to play a key role in the transitions of the CEECs to democracy and market economy was reinforced and became virtually impossible to shy away from for the member states and the Union institutions.

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## APPENDIX A

### TURKISH SUMMARY

Sovyetler Birliđi'nin dađılması, Orta ve Dođu Avrupa ÷lkelerinin Avrupa Birliđi'ne katılmak istediklerini bildirmelerinden sonraki dönemde AB'ye, Avrupa Ekonomik Topluluđu Kuruluş Anlaşması'nın 1957'de öngördüđu üzere, bütün kıtayı kapsayan bir kuruluş olma fırsatını verdi. Dođu genişlemesi ilkesi, Haziran 1993 tarihli Kopenhag zirvesinde kabul edilmesine rağmen bu genişleme daha önce resmi hale getirilmemiş bir dizi kritere bađlı kılındı. Orta ve Dođu Avrupa ÷lkeleri açısından bu kriterlerin en zorlu kısmı, eşi gör÷lmemiş uzunluk ve karmaşıklığından ötürü, Topluluk müktesebatını kanunlaştırma zorunluluđu oldu.

İç sınırların ortadan kaldırıldığı bir tek pazarı oluşturan 1986 tarihli Avrupa Tek Senedi ve sadece üye devletlerin ekonomik ve parasal politikalarını birbirine yaklaştıran deđil aynı zamanda ortak bir dış ve güvenlik politikası, ve adalet ve içişleri sütunlarını kurarak Avrupa entegrasyon projesinin ana yetki alanlarının dışına çıkan 1992 tarihli Maastricht Anlaşması'nın imzalanmasından sonra Avrupa Birliđi'ne üye olarak katılmak gitgide zorlaştı. Avrupa Birliđi üye ÷lkelerinin Topluluk müktesebatına verdiği önem, AB'nin büyük ölçüde iktisadi bir kuruluştan Avrupa'da barışçıl ve gönüllü işbirliğinin sağlandığı siyasi bir güce dönüşmesi ile açıklanabilir. Bu nedenle, Orta ve Dođu Avrupa ÷lkelerinin Avrupa Birliđi'ne girişi yalnızca tek pazara deđil, aynı zamanda AB'nin itibar ve gelişmiş entegrasyon sürecine de tehdit oluşturmaktaydı.

AB'nin, Avrupa Serbest Ticaret Birliđi ÷lkeleri ve Malta ve Kıbrıs'ın yanısıra, on yeni Orta ve Dođu Avrupa ÷lkesi ile nasıl işleyeceđi ve iç uyumunun nasıl sağlanacağına ilişkin sorular genişlemeye karşı entegrasyon üzerine kalıcı bir tartışmaya dönüştü.

Bu bağlamda derinleşme, Avrupa entegrasyon projesinin siyasal, finansal ve kurumsal olarak etkili ve tutarlı bir şekilde işlev görme kapasitesini arttırmaya yönelik verdiği çaba anlamına gelmektedir. Derinleşme aynı zamanda Avrupa Birliği'nin üye olmayan ülkeler için cazip olmasının en önemli nedenlerinden biridir, bu durum da genişleme sürecine yol açmaktadır.

Topluluk'un ilk genişlemesinden beri bununla uğraşan ve onu Avrupa entegrasyonunun daha da derinleştirilmesi için hem bir teşvik hem de gerekçe olarak kullanan üye ülkeler açısından genişlemeye karşı entegrasyon tartışması yeni bir olgu değildi. Fakat, genişlemenin entegrasyona zarar verdiği algısı hafızalarda yerini korudu ve Doğu genişlemesi sürecinde, AB'nin artan yetki alanı nedeniyle, en üst seviyesine ulaştı. Genişlemeye karşı entegrasyon tartışmasını çözmek için Avrupa Birliği, üyelik için değil sadece üyelik sürecini devam ettirmek amacıyla, her basamağı yeni şartlara bağlı olan bir katılım öncesi stratejisi geliştirdi. Dolayısıyla, Orta ve Doğu Avrupa ülkelerinin AB'ye üyelik süreçlerindeki en önemli husus Kopenhag'da ortaya konan genel ve belirsiz kriterlerden ziyade, bu kriterleri yorumlayıp ayrıntılı hale getiren katılım öncesi stratejisi oldu.

Bu yorumlama ve ayrıntılandırma uygulaması üyelik müzakerelerini basit pazarlıktan, katı şekilde yapılandırılmış, müktesebata ilişkin azami tutumu olan bir teknik sürece dönüştürdü. Bu durum üye ülkelerin, otoriter rejim geçmişleri ve gelişmemiş ekonomik, idari ve hukuki sistemleri ile entegrasyon sürecini tehlikeye atabilecek Orta ve Doğu Avrupa ülkelerine karşı duydukları isteksizliğin sonucuydu. Avrupa Birliği'nin zorlu şartları ve üyelik öncesi süreç, AB'nin neden Doğu genişlemesini kabul ettiği sorusunu gündeme getirmektedir. Tezin amaçlarından biri, bu sorunun cevabını AB'nin Doğu genişlemesi ile Akdeniz genişlemesini karşılaştırarak vermeye çalışmasıdır. Genişleme araştırmasında karşılaştırmalı bir analizin kullanılmasının nedeni, bu tür değerlendirmelerin Avrupa Birliği'nin genişleme süreci üzerine tek ülke veya aşamanın konu edildiği çalışmalardan daha sağlıklı genellemeler ortaya koymasıdır. Karşılaştırma için Akdeniz ülkelerinin seçilme sebebi ise Yunanistan, İspanya ve Portekiz'in, Orta ve Doğu Avrupa

ülkelerine benzer bir sosyoekonomik bir geçmişi olması ve AB üyeliğine aynı amaçlarla başvurmasıdır: yeni demokrasilerinin konsolidasyonu ve piyasa ekonomilerinin oluşturulması.

Bu tez, liberal uluslararasıılık ve sosyal oluşturmıcılık büyük teorileri yetersiz kaldığı için, genişleme sürecini açıklamada Frank Schimmelfennig tarafından öne sürülen “retorik sıkışma” orta boy teorisini kullanmaktadır. Andrew Moravcsik'in liberal uluslararasıılık kuramı, üye ülkeler AB'nin en önemli aktörleri olduğundan ve AB'nin yetki alanlarının iktisadi konularda derinleştirilmesi ülke egemenliğine etki edebilecek ortak dış ve güvenlik politikası veya adalet ve içişleri gibi konulardan daha kolay hale geldiğinden, entegrasyon sürecini büyük ölçüde açıklamaktadır. Fakat Moravcsik genişlemenin, sonuçculuk mantığı doğrultusunda, üye ülkelerin somut çıkarlarına hizmet ettiği sürece gerçekleşeceğini savunmaktadır. Schimmelfennig ve dolayısıyla bu tez tarafından sorunsallaştırılan, Moravcsik'in genişlemeye ilişkin görüşleridir.

Schimmelfennig liberal uluslararasıılık kuramını 1993 Kopenhag zirvesi öncesi döneme, sosyal oluşturmıcılık kuramını ise üyelik sürecine uygulayarak Avrupa Birliği'nin Doğu genişlemesini açıklamaktadır. Schimmelfennig'e göre genişleme, AB aday ülkesi olmak isteyen devletin Avrupa Birliği'ni oluşturan değer ve normlarla özdeşim ve uyumuna bağlıdır. Bu normlar ise demokrasi, hukukun üstünlüğü ve çoğulcu siyasi ve iktisadi sistemlerdir. Avrupa Birliği Roma Anlaşması'nda, AB'nin liberal norm ve değerlerini paylaşan tüm Avrupa ülkelerine genişlemeyi taahhüt ettiği için Orta ve Doğu Avrupa ülkelerini bu süreçten mahrum etmek gayrimeşru hale gelmiştir. Bu nedenle de Doğu genişlemesi konusunda isteksiz olan üye ülkeler, yükümlülüklerini yerine getirmedikleri için diğer üyeler tarafından utandırılmak yerine, AB'nin geçmişten gelen retorikğine uygun şekilde davranmak zorunda kalmışlardır.

Dolayısıyla bu tezin amacı iki yönlüdür: Öncelikle, Doğu genişlemesine ilişkin AB müktesebatı ve katılım öncesi stratejisinin gelişimini göstermek. AB müktesebatı ve

katılım öncesi süreç birlikte değerlendirilmektedir çünkü üye devletlerin AB'nin kanunlar bütününe genişleme karşısında bir arada tutma isteği, müzakere sürecinin kısıtlı olmasına yol açmıştır. Bu da, katılım öncesi stratejisi tarafından tanımlanan ve ayrıntılandırılan zorlu üyelik şartlarıyla mümkün olmuştur. İkincil olarak, AB'nin karşılaştığı zorluklar ve üye devletlerin genişlemenin devamına ilişkin siyasal isteksizliği göz önüne alındığında Avrupa Birliği'nin neden Orta ve Doğu Avrupa ülkelerine genişlediğini, Akdeniz genişlemesi deneyimini değerlendirerek açıklamak.

Akdeniz ülkeleri, totaliter rejimlerin yıkılmasından sonra Avrupa Birliği'ne demokrasi konsolidasyonu ve güçlü piyasa ekonomisi kurma amacıyla başvurmanın temelini atmışlardır. Bu ülkeler, düşük gayri safi milli hasılları ve büyük tarım sektörleri ile mevcut üye ülkelerden daha yoksuldular. Bu durum ise Yunanistan, İspanya ve Portekiz'in sadece farklı bir siyasal rejimden geldiğini değil, aynı zamanda iktisadi açıdan üye ülkelerle aynı seviyeye ulaşmak için çok çaba sarfetmesi gerektiğini göstermekteydi. Dolayısıyla ilk bakışta Orta ve Doğu Avrupa ülkelerinin AB'ye girişi, Akdeniz ülkelerinin üyeliğinin daha büyük çaptaki bir tekrarı olarak gözükse de bu tamamen yanıltıcı bir sonuçtur.

Dış bir hegemonik güç tarafından yönetilmeyen Akdeniz ülkelerinin aksine Orta ve Doğu Avrupa ülkeleri, Sovyetler Birliği tarafından sivil toplum, bağımsız kurumlar ve basın, Yunanistan, İspanya ve Portekiz üst ve orta sınıflarının diktatörlük yıllarında piyasa ekonomisi kurulmasına yardım eden girişimcilerine yer bırakmayacak ölçüde kontrol ediliyordu. Bu nedenle, Avrupa Birliği'ne başvuran Orta ve Doğu Avrupa ülkelerinin sayısının üyeliği daha da karmaşık hale getirmesinin yanısıra bu eski sosyalist ülkeler aynı zamanda Avrupa entegrasyon projesi tarihindeki tüm üyelerden daha alt tabandan müzakerelere başlamaktaydılar.

Bu durum üye ülkelerin, özellikle de Almanya'nın, Akdeniz genişlemesinde yaptığı gibi Orta ve Doğu Avrupa ülkelerine yönelik politikalar üretmeye veya Doğu genişlemesini AB bütçesinden karşılamaya isteksizliğinden ötürü daha da kötü bir hale gelmiştir. Hepsinden önemli olarak Orta ve Doğu Avrupa ülkeleri, yapısal fon ve

ortak tarım politikası fonlarından ek yardım almaya veya müktesebattan muafiyete izin vermeyen müdahaleci bir siyasi ve iktisadi üyelik koşulluğu dönemine maruz kalmıştır. Bu eşi görülmemiş şartlılık ilkesinin nedeni, Avrupa Birliği'nin sürekli gelişen müktesebatıdır.

Bu tez, AB müktesebatının nasıl geliştiği sorusunu iki unsuru inceleyerek yanıtlamaya çalışmıştır:

- İspanya ve Portekiz'in Avrupa Birliği'ne girişi ile aynı zamanda özellikle tamamlanan ve tek pazara ilişkin tedbir ve düzenlemeleri AB müktesebatının en önemli ve tartışmaya kapalı kısmı olan Avrupa Tek Senedi;
- AB'nin üç sütunlu yapısını yaratan ve Avrupa Serbest Ticaret Birliği ülkelerinin AB'ye girmesinin temelini oluşturan Maastricht Anlaşması.

Avrupalı kimliği, özgürlük, demokrasi, insan haklarına saygı ve hukukun üstünlüğünü içeren fakat kesin olarak tanımlanmamış AB'ye giriş şartlarının Doğu genişlemesi için yeterli olmadığı düşünüldü. Avrupa Birliği üyelerinin Orta ve Doğu Avrupa ülkelerinden gelebilecek büyük bir göç dalgası ve AB'nin bütçesiyle ilgili kaygıları mevcuttu. En büyük sorun ise AB'nin eriştiği entegrasyon seviyesi ve üye ülkelerin bu durumdan nasıl faydalandığı ile AB üyeliğini demokratikleşme ve iktisadi çağdaşlaşma yolunda klavuz ve desteğe ihtiyaç duyan ülkelere taşıma amacı arasındaki ikilemdi. Dolayısıyla, bu tezin değindiği ikinci konu Avrupa Birliği ve aday ülkelerin bu sorunu nasıl çözdüğünü Orta ve Doğu Avrupa ülkelerinin katılım öncesi dönemine ağırlık vererek göstermektir.

AB müktesebatının tümüyle kanunlaştırılması her aday ülke için bir üyelik şartıydı ve müktesebatın aday ülke iç hukukuna aktarılmasının yükü üye olmak isteyen ülkenin üzerindeydi. Doğu genişlemesinde ise Avrupa Birliği, müktesebatın kanunlaştırılması ve uygulanmasını Orta ve Doğu ülkeleri için zorunlu hale getirerek müktesebatın bütünlüğünü korumak için katılım öncesi döneme özel bir önem gösterdi. Yunanistan, İspanya ve Portekiz de AB üyeliği için belirli siyasi kriterleri

yerine getirmek zorunda kalmışlardı. Fakat, Akdeniz ülkelerinin bu kriterleri nasıl karşıladığını gösteren ölçütler hiçbir zaman ortaya konulmamıştı. 1993'te yapılan tarihi Kopenhag zirvesi sadece üyelik kriterlerini düzenlemekle kalmamış, Avrupa Komisyonu "Agenda 2000" isimli karma genişleme raporunda bu kriterlerin nasıl yerine getirileceğini ayrıntılarıyla belirtmiştir.

Komisyon daha sonra kendi çalışmasını, adayların durumlarını sürekli inceleyen ve güncelleyen yıllık raporlarla pekiştirmiştir ve bu durum da hiçbir aday ülkenin bu süreçteki başarısının üye olana kadar kesinleşmeyeceği anlamına gelmiştir. Bu, Avrupa Birliği'nin daha önceki dört genişleme sürecinde var olmayan bir uygulamaydı. On Orta ve Doğu Avrupa ülkesinin AB'ye katılması ihtimali, Avrupa Birliği kurumlarının işleyişine getirilen artımlı değişiklik ve düzenlemelerin sınırlarını açığa çıkarmıştır ve Ortak Tarım Politikası ve yapısal fonlar gibi bazı politika alanlarının reforma ihtiyaç duyduğunu göstermiştir. Bu nedenle AB üye ülkeleri, üyelik şartlarını Avrupa Birliği'nin içsel toparlanması için zaman kazanmak amacıyla da kullanmıştır.

Genelde genişlemenin, entegrasyonu riske attığı akla gelmektedir fakat Orta ve Doğu Avrupa ülkelerinin Avrupa Birliği'ne girişlerine kadar tüm genişlemeler, entegrasyonun derinleştirilmesi ile birlikte gerçekleştirilmiştir: ekonomik ve parasal birlik ve bölgesel dengesizlikleri düzeltme amacını ortaya koyan 1972 Paris zirvesi, 1986 Avrupa Tek Senedi ve 1992 Maastricht Anlaşması. Fakat 1996 Amsterdam ve 2001 Nice Anlaşmaları, Doğu genişlemesinin meydana getirdiği sorunları çözmede yetersiz kaldığı için bu, öngörülü bir süreç olmaktan ziyade, son dakikada getirilen düzenlemelerle yapılan bir genişleme olmuştur.

Amsterdam zirvesi, adalet ve içişleri sütununun çok önemli bir kısmını Topluluklaştırmaya ve Schengen sistemini Avrupa Birliği kurucu anlaşmasına dahil etmeye karar verdiyse de, bu karar üye devletlerin çıkarına hizmet eden bir hareket olarak değerlendirilebilir: hem adalet ve içişleri hem de Schengen mevzuatını aday ülkeler için bir zorunluluk haline getiren üye devletler, 1997 Lüksemburg Avrupa

Konseyi kararlarından da anlaşılabilceği üzere Orta ve Doęu Avrupa ülkeleri ile müzakerelerin açılma zamanına ilişkin soruları kısa bir süre için de olsun ertelemeyi başarmıştır.

Nice Anlaşması'nın imzalanmasının hemen sonrasında, daha fazla kurumsal reformun yapılması gerektiğine ilişkin tartışmalar başlamıştır. Bunun nedeni Nice Anlaşması'nın oluşturduğu yasal çerçevenin, AB'nin gelecekte üye olarak kabul edebileceği üç ülkeye (Türkiye, Hırvatistan, Makedonya) genişlemede yetersiz kalacağıdır. Amsterdam ve Nice Anlaşmaları'nı takip eden ve Anayasa Anlaşması'nın imzalanmasıyla sonuçlanan anayasallaştırma süreci, bu anlaşmasının Fransa ve Hollanda'da reddedilmesiyle başarısız olmuştur. Referandumlarda alınan olumsuz sonuçlar, hem Orta ve Doęu Avrupa ülkelerinin üyeliğinden kaynaklanan “genişleme bunalımı” hem de büyük ölçüde Türkiye'nin üyeliğine karşı “genişleme korkusu” olarak yorumlanmıştır ve üye ülkelerin AB'nin genişleme ve uzun vadeli amaçlarını sorgulamaya itmiştir.

Dolayısıyla, Akdeniz ve Doęu genişlemelerini benzer kılan pazarlık ve üyelik süreci değil, başvuran ülkelerin neden üye olma amacı taşıdıkları ve bu amaca nasıl ulaştıklarıdır. Bu nedenle tezin açıklığa kavuşturmak istediği üçüncü konu, geçmişte otoriter rejimlerin AB'ye girmesiyle sonuçlanan ve tekrar tekrar kullanılan genişleme mantığıdır. Tüm Akdeniz ve Orta ve Doęu Avrupa ülkeleri, demokratik olmayan rejimlerinin çöküşüne kadar Avrupa entegrasyon projesinden kopuk durumdaydılar ve Yunanistan, demokrasi konsolidasyonu ve ekonomik sistem modernleşmesi için Avrupa Topluluğı'na başvuran ülkelerin öncüsü oldu.

Yunanistan'ın üye olmasına yardımcı en önemli etken, cunta rejimi yıllarında ortaya çıkan ve Avrupa Topluluğı'nun Yunanistan'ın Batı yöneliminin ve demokrasiye geçişinin iktisadi geriliğe rağmen desteklenmesi yönündeki algıydı. Albayların ülke yönetiminden çekilmesinden sonra Avrupa Topluluğı, genişlemeden ekonomik olarak yarar görmeyeceği ve her üye ülkenin Batı'ya sırtını dönmüş bir Yunanistan'ın jeopolitik getirileriyle ilgili olmadığı halde Topluluk'un ülkeye karşı bir ahlaki

sorumluluğu olduğunu savunan Karamanlis tarafından sözlerini yerine getirmek zorunda bırakıldı.

Avrupa Topluluğu'nun demokrasi, hukukun üstünlüğü ve insan haklarını desteklemeye yönelik bir değer tabanlı topluluk olduğuna ilişkin 1960'lar ve 1970'lerdeki retoriği, üye ülkeleri bir ikilem içine itti: Yunanistan'ı belli bir iktisadi gelişmişliğe ulaşan kadar bekletmek fakat bu süreçte meşruluk ve güvenilirlik kaybetmek ya da Yunanistan'ı koşulsuz olarak üyeliğe kabul etmek fakat politik sorunları iktisadi sorunların önünde tutmanın riskleriyle yüzyüze gelmek. Avrupa Komisyonu'nun Yunanistan için katılım öncesi bir dönem oluşturma önerisini reddederek üye ülkeler, açıkça ikinci seçenekte karar kıldılar. Bu durum, Yunanistan deneyiminden ve AB mevzuatının büyük gelişiminden sonra Avrupa Birliği'ne başvuran Orta ve Doğu Avrupa ülkeleri için çok farklı yönde gelişti.

Şüphesiz ki üye devletler, Yunanistan'ın Avrupa Topluluğu'na girişi konusunda tümüyle istekli değildiler ve bu genişlemenin şartları, İspanya ve Portekiz'in gelecekteki üyeliğinin gündeme gelmesiyle gitgide değişirken Yunanistan'ın Topluluk'a girmesine ilişkin destek daha da azaldı. Fakat hiçbir üye devlet, Komisyon'un Avrupa Topluluğu'nun Yunanistan ile ilişkisine doğrudan bağlı olarak tanımladığı demokrasi konsolidasyonu amaçlı bir genişlemeye karşı çıkararak muhaliflik yapmak istemedi. Dolayısıyla Yunanistan'ın Avrupa Topluluğu'na girişi, liberal demokratik değerler ve Avrupa kimliği gibi norm temelli argümanların ve verilen sözlerin aday ülke ve Fransa ve Almanya gibi destekçilerin isteksiz üyeleri sessizliğe utandırma yolunu kullandığı ilk örnek haline geldi. Üye devletler, Yunanistan'ın Avrupa entegrasyon projesinden yokluğunda oluşturulan bir söylem çerçevesinde sıkışmışlardı ve Yunanistan'ın üyelik başvurusu üzerine seçebilecekleri eylemler oldukça kısıtlıydı.

Bu davranış şekli, Avrupa Topluluğu'nun Yunanistan'ın sadece demokrasiye geçişini özverili bir şekilde destekleme amacı gütmemesi yönünden Schimmelfennig'in retorik sıkışma teorisine uymaktadır. Fakat, katılım öncesi sürecin tamamen

reddedilmesi ve üyelik müzakerelerinin hemen açılması, üye devletlerin Yunanistan'ın Topluluk'a girişini desteklemek zorunluluğunu hissettiklerini göstermektedir.

Yunanistan'ın üyeliğinin politik nedenlerle meşrulaştırılması, İspanya ve Portekiz'in Topluluk'a girişini kaçınılmaz hale getirmiştir. Bu Avrupalılığı inkar edilemeyecek iki ülkenin, Avrupa Topluluğu'nun yardımına Yunanistan gibi hem politik hem de iktisadi olarak ihtiyaç duyduğu anda dışarıda bırakılması mümkün değildi. Bu durum, Avrupalı kimliği şüpheli olduğu için Topluluk'un demokrasi destekleyici rolünden faydalanamayan Türkiye için tamamen farklıydı çünkü Yunanistan, İspanya ve Portekiz için geçerli olan meşru nedenler, Avrupa Topluluğu'nun Türkiye ile olan ilişkilerinde hiç yer almıyordu.

Orta ve Doğu Avrupa ülkelerinin AB'ye girişi, Akdeniz ülkelerinkinden çok daha karmaşık bir süreçti. Fakat, Orta ve Doğu Avrupa ülkeleri de Yunanistan, İspanya ve Portekiz gibi Avrupa'ya dönüşü amaçladılar. Sovyetler Birliği'nin çöküşü, Orta ve Doğu Avrupa Birliği ülkeleriyle daha yakın bağlar kurmak için sevinç ve istek ile karşılandıysa da 1991 yılında Avrupa Anlaşmaları müzakere edilirken genişleme hala uzak bir ihtimal olarak görülüyordu. Avrupa Birliği üye ülkelerinin, Orta ve Doğu Avrupa ülkeleriyle imzaladığı Avrupa Anlaşmaları'na üyelik amacını kabul eden bir madde koymayı reddetmeleri bu durumun bir göstergesiydi. Sovyetler Birliği'ndeki darbe girişimi ve Yugoslavya'daki kargaşa Orta ve Doğu Avrupa ülkelerinin, kendi kaderlerine bırakıldıkları ve liberal demokrasilerinin Avrupa Birliği tarafından desteklenmediği takdirde, kolayca dönüşümlerinin durabileceği ve gerileyebileceğini kanıtladı.

Avrupa Komisyonu'nun, ortak ülkelerin politik ve iktisadi değişimlerini kolaylaştırmak amacıyla üyelik teşviğini önermesi ve Orta ve Doğu Avrupa ülkelerinin Avrupa'ya geri dönme amacına verdiği büyük psikolojik önem üzerine Haziran 1993 Kopenhag zirvesi, üyelik ilkesini kabul etti. Bu karar, sadece Avrupa gayesini paylaşan ülkeleri kabul etme yükümlülüğünü taşıdığı için değil aynı

zamanda kıtadaki barış ve güvenliğin geleceği ile ilgili olduğu için, hiçbir üye ülke karşı çıkmadan alındı. Avrupa kıtasının jeopolitik durumu, aday ülkelere komşu AB üyeleri coğrafi olarak uzak İrlanda, İspanya ve Portekiz'den daha çok ilgilendiriyordu. Fakat Avrupa entegrasyon projesi kurucularının, üyelik şartlarına uyan her Avrupalı ülkenin AB'ye aday olabileceğini belirttiği gerçeği isteksiz üyelerin ya genişlemenin gerçekleşeceğini kabul etmek zorunda kalması ya da elli yılı aşkın bir geçmişi olan, Avrupa'da Doğu-Batı ayrımını ortadan kaldırma hedefinin gerçekleşmesini engelleyen muhalifler olarak anılmaları anlamına geldi.

Beş Orta ve Doğu Avrupa ülkesiyle müzakerelerin başlamasına karar veren Aralık 1997 Lüksemburg zirvesinin sonuçlanmasıyla Doğu genişlemesindeki ilk atılım tamamlanmış oldu. Temellerini Avrupa'nın birleşmesi ile kıtanın tarihi ve geleneksel değerlerinden alan Avrupa entegrasyon projesi geçmiş retoriği, öncelikle genişlemenin Kopenhag'da kabul edilmesini daha sonra da Danimarka, İsveç ve İtalya'nın daha kapsayıcı bir üyelik süreci için çaba göstermesiyle Lüksemburg'da bu sözün aday ülkeler için uygun şartlar altında yerine getirilmesini sağladı.

Üyelik sürecindeki ikinci atılım, Aralık 1999 Helsinki zirvesinde meydana geldi. Bu zirvenin hazırlık aşamasında yaşanan ve Mart 1999'da bir NATO müdahalesine yol açan Kosova krizi kendini, Komisyon'un strateji değiştirmesi ile gösterdi. Avrupa Komisyonu Konsey'e, politik kriterleri karşılayan ve ekonomik kriterleri karşılamak için gerekli düzenlemeleri yapmaya hazır tüm ülkelerle, adayların gösterdiği çaba ve fedakarlıkların ödüllendirilmesi amacıyla, müzakerelerin başlatılmasını önerdi. Komisyon Başkanı Romano Prodi bu öneriyi, Avrupa Birliği'nin Roma İmparatorluğu'nun yıkılışından beri ilk defa Avrupa'yı paylaşılan gayeler ve ortak değerler ile birleştirme fırsatı yakaladığını söyleyerek savundu. Dolayısıyla genişleme sürecinin hızı, AB için büyük bir başarısızlık anlamına gelecek demokrasi ve insan haklarından sapmanın önlenmesi için geri kalan beş Orta ve Doğu Avrupa ülkesine üyelik teklif edilerek sağlanmalıydı.

Helsinki zirvesinin Avrupa Komisyonu'nun önerilerini kabul etmesi ve Nice'teki hükümetlerarası konferansın başarılı bir şekilde sona ermesi ile Orta ve Doğu Avrupa ülkelerinin AB'ye girişine engel oluşturan tüm unsurlar ortadan kalktı. Müzakere sürecinin, eşi görülmemiş bir sayı olan on ülke ile ( sekiz Orta ve Doğu ile iki Akdeniz ülkesi, Kıbrıs ve Malta) neticelendirilmesi, genişleme mecburiyetlerinin derinleşme mecburiyetlerine ağır bastığını göstermektedir. Üye devletlerin ve AB kurumlarının, Orta ve Doğu Avrupa genişlemesine ilişkin çok farklı çıkar noktalarından ve hatta bu ülkelerin üye olabileceğini kabul etme isteksizliğinden başlayıp AB'ye gelecekte girişlerini bir ödül olarak sunduğu ve bu süreci kasten hızlandırdıkları gerçeği, Akdeniz genişlemesinde de kullanılan benzer bir mantıkla açıklanabilir: Avrupa Birliği'nin kendini algılama biçimi ve Birliğin neyi temsil ettiği göz önüne alındığında, uygun kabul edilenin sınırları içinde davranma zorunluluğu.

Şüphesiz ki tüm üye devletler, on Orta ve Doğu Avrupa ülkesini de kapsayan bir genişleme sürecinin taraftarı değildiler ve genişlemenin mevzuatsal ve kurumsal etkilerini vurgulayarak bu süreci (Schimmelfennig'in terimini kullanarak) “frenlemeye” çalıştılar. Avrupa Birliği'nin yakın bölgesini istikrarsızlık ve çatışmalara karşı güvence altına almış, 500 milyonun üzerindeki tüketici sayısı ile oluşturduğu bir iç pazar haline gelmesiyle cazibesi artınca Doğu genişlemesinin orta ve uzun dönemde getireceği ekonomik yararlar da yadsınamazdı. Fakat bu ekonomik faydalar, İrlanda, Yunanistan, İspanya, Portekiz ve, daha az bir derecede, Fransa'dan gelmeyen veto kararlarını açıklamamaktadır. İlk dört uyum fonu ülkesinin, Orta ve Doğu Avrupa ülkeleri gibi tarıma dayalı ekonomilere sahip olmalarının yanısıra bu ülkeler, yapısal fonlarının azalması ve genişleme bölgesine olan uzaklıkları nedeniyle de Orta ve Doğu Avrupa ülkeleri üyeliklerinin kaybedeni olacaktı. Fakat Akdeniz ülkeleri, üye devletlerin kendilerini demokrasi istikrarı ve ekonomik modernleşme için desteklemede bir dayanak noktası olma zorunluluğuna hitap ederek AB'ye üyelik kazanmalarından dolayı Orta ve Doğu Avrupa ülkelerini reddetmek Yunanistan, İspanya ve Portekiz için gayrimeşru hale gelmiştir.

Avrupa Topluluğu'nu kuran anlaşma üye devletlerine, üyelik kriterlerini karşılayan tüm Avrupalı ülkeleri kabul edeceklerini taahhüt ettirdiğinden ve AB en sonunda sadece Batı Avrupa'yı değil tüm kıtayı kapsayan bir kuruluş olma tarihi hedefini gerçekleştirmek üzereyken Doğu genişlemesine muhalefet etmek imkansız hale gelmiştir. Avrupa Birliği'nin 1970'lerde anlamını ve cazibesini büyük bir ölçüde yitiren, tüm kıtaya barış ve güvenlik getirmeye ilişkin esas hedefinin, Sovyetler Birliği'nin yıkılması ve Orta ve Doğu Avrupa ülkelerinin AB'ye üyelik için başvurması ile eski saygınlığına kavuştuğu söylenebilir.

Doğu genişlemesinin meşrulaştırılma biçimi, Frank Schimmelfennig'in retorik sıkışma teorisi kalıbına uymaktadır. Orta ve Doğu Avrupa ülkelerinin AB'ye üyeliğine yeşil ışık yakılmasına ilişkin karar, üye ülkeler Avrupa entegrasyon projesi başlıca değer ve normlarına bağlı kalmıyor gibi görünmemek istedikleri için, bir negatif mutabakattan doğmuştur.

Bu tezin ana sonucu, üyelik şartlarının yoğunluğu ile göze çarpan Doğu genişlemesi halk tarafından istenmediği ve tüm üye ülkelerin desteğini almadığı halde Avrupa entegrasyon projesinin geçmişteki retorik ve deneyimlerinin, Avrupa Birliği'nin Orta ve Doğu Avrupa ülkelerinin demokrasi ve piyasa ekonomisine geçişinde önemli bir rol oynaması yükümlülüğünün pekiştiği ve bu zorunluluğun üye ülkeler ve AB kurumları için kaçınılması neredeyse imkansız olduğu bir ortam yarattığı yönündedir.

## APPENDIX B

### TEZ FOTOKOPİSİ İZİN FORMU

#### ENSTİTÜ

Fen Bilimleri Enstitüsü	<input type="checkbox"/>
Sosyal Bilimler Enstitüsü	<input checked="" type="checkbox"/>
Uygulamalı Matematik Enstitüsü	<input type="checkbox"/>
Enformatik Enstitüsü	<input type="checkbox"/>
Deniz Bilimleri Enstitüsü	<input type="checkbox"/>

#### YAZARIN

Soyadı : **Kimençe**  
Adı : **Duygu**  
Bölümü : **Uluslararası İlişkiler**

**TEZİN ADI** (İngilizce) : **The Mediterranean and Eastern Enlargement of the European Union: A Comparative Study on the Evolving EU *Acquis Communautaire***

**TEZİN TÜRÜ** : Yüksek Lisans  Doktora

1. Tezimin tamamından kaynak gösterilmek şartıyla fotokopi alınabilir.

2. Tezimin içindekiler sayfası, özet, indeks sayfalarından ve/veya bir bölümünden kaynak gösterilmek şartıyla fotokopi alınabilir.

3. Tezimden bir (1) yıl süreyle fotokopi alınamaz.

**TEZİN KÜTÜPHANEYE TESLİM TARİHİ:**