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**The EU enlargement : its implications for Europe and Asia\***

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## 1/ Introduction

The European Union(EU) has continually faced enlargement challenges since the beginning of its integration process which began in the 1950's. Until the mid 1980's, this challenge occurred in the framework of the so-called "West" European continent, "West" being used as a political term. But after the collapse of the Berlin Wall in 1989, many European countries applied for membership to the European Community in quick succession.

These countries could be categorised into three groups. First, EFTA countries: Austria, Finland, Sweden, Switzerland and Norway. Second, Mediterranean countries: Malta, Cyprus and Turkey. And third, ten Central and Eastern European Countries(CEECs). Among the first group, Switzerland and Norway suspended their application in accordance with their national referendums, and finally three neutral EFTA states, Austria, Finland and Sweden became members of the European Union in 1995. This last enlargement of the EU was one of the consequences of the end of Cold War because these countries' neutral status was no more an obstacle for entrance into the EU. Nevertheless, the process of enlargement was the same as the previous enlargement that the EU had managed in the 1970s and 1980s in the sense that only the applicant country had to accept and adapt to the EU system and its rules. Compared to these past enlargements of the EU, until the mid 1990s, the next enlargement seems very different and poses quite a big challenge to the EU's internal deepening process. Therefore, this paper aims to clarify in the first place, how the next enlargement is different from the previous one, and what the main problems the EU faces are now in connection with the next enlargement.

Secondly, as the present EU composed of fifteen member states, is already a global actor in the international theatre, we have to consider how influential

the EU may be, once composed of more than thirty member states, as a natural consequence of the next enlargement. In this context, one can easily point out that the EU with its large unified market and single currency will be a rival for the United-States. But it is rather difficult to consider its implications for Asia, especially for Japan because the relationship between Europe and Asia is not as strong as that between Europe and the US or the US and Japan. Accordingly, in this paper, the implications or impact of the next enlargement of the EU for Asia will be treated in order to fill this gap.

## 2/ Characteristics of the next enlargement

The next enlargement that the EU is tackling now differs from previous ones in a many aspects.

To begin with, we can point out several features of applicant countries.

Firstly, the number of applicant countries is almost the same as the present member states of the EU: ten central and eastern European countries, two small Mediterranean countries and Turkey. If we count potential applicant countries such as Croatia and some other Balkan states, the total will be double the present number of member states. The first enlargement of the EU was for three states: the United Kingdom, Ireland, and Denmark; the second also three: Greece, Spain, and Portugal; and the third, also three: Austria, Finland, and Sweden. The EU has now thirteen applicant countries of which twelve countries currently proceeding with membership negotiations.

Secondly, until 1989 all applicant countries, except Malta and Cyprus, had neither experienced parliamentary democracy nor operated as market economies. They have had to introduce these western European values within a very short time in order to become members of the EU.

Thirdly, the next enlargement includes both an eastward enlargement and a Mediterranean one. These two directions of enlargement will complicate the EU's enlargement strategy given that the previous enlargements had never experienced this multilateral dimension.

Fourthly, the EU has to deal with applicant countries that are significantly different. Some are relatively advanced in economic terms, some are still poor; some are as big as other present member states in geopolitical terms, but some are extremely small, like Malta.

Such characteristics of the applicant countries can be summed up to say that the next enlargement is very complicated, and more difficult than previous ones.

On the other hand, the response of the EU to the CEECs has not been consistent. This can be easily observed by a brief review of the last ten years' enlargement process.

At the beginning of the 1990s, the EU was rather reluctant for these newly democratised countries to join its ranks; aid was given only for the stabilization of democracy and the restructuring of their economies. This was the main philosophy of the PHARE assistance programme and the Europe Agreement.

But as the CEECs were so eager to return to Europe and to be members of the EU, the Copenhagen European Council of 1993 defined a clear set of criteria for them to become members of the EU:

1. political criterion: the applicant country must have achieved stability of institutions guaranteeing democracy, the rule of law, human rights, and

respect for and protection of minorities;

2. economic criterion: the applicant country must have a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the EU;

3. Acqui criterion: the applicant country must have the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

These three criteria have served as a precise standard for prospective membership.

Following this, the Madrid European Council of December 1995 decided to open negotiations with Malta and Cyprus after the Intergovernmental Conference of 1996. It asked the European Commission to study the membership of the CEECs as well as the internal reform of the EU which will be a precondition for the next enlargement. The European Commission presented their opinion in 1997 in the form of "Agenda 2000", in which it suggested six states as candidates for membership negotiations. These are Poland, the Czech Republic, Hungary, Slovenia, Estonia and Cyprus.

The official negotiations with these Six countries began in March 1998 and another five CEECs who could not become members in the first wave of negotiations were also invited to assist at the European Conference to discuss their preparation for membership.

However, the Kosovo crisis of early 1999 pressed the incumbent members of the EU to accept the CEECs more quickly and to change this two tier method of negotiation. As a result, the Helsinki European Council of December 1999 decided to recognize all thirteen applicant states as candidates for membership, and to begin negotiation with twelve states except Turkey, which still has to clear the political criterion of Copenhagen.

Most recently when the European Commission submitted its regular report in November 2000, it proposed a "road map" method. This met with the agreement of the Nice European Council of December 2000 which also proposed the principle of differentiation, based on each candidate country's own merits. The Nice Council also reaffirmed the objective set by the European Council in Helsinki: to welcome new member states which are ready as from the end of 2002, in the hope that they will be able to take part in the 2004 European Parliament elections.

This ten year process shows that the EU has not had a clear and coherent strategy for its next enlargement and has had to adjust its enlargement policy in accordance with its relationship with the CEECs and also with its own circumstances and those of its member states. This lack of consistency in policy making on the EU side is also one of the characteristics of the next enlargement process.

Moreover, because of the number, relatively small size and poor economy of new member states, the EU has to reform not only its institutions and decision-making procedures, but also its principal policies such as the Common Agricultural Policy (CAP), regional policies and financial policies. At its inception, the EU comprised only six member states and its institutional reform has been a central matter since the number of member states went over ten, but neither in the Maastricht European Council of 1991, nor in Amsterdam European Council of 1997, was any fundamental reform agreed on. Even in the Nice Council of last December 2000, only a small part of institutional reform was agreed on after five long days debate in the Council. The EU will have to resolve this problem in the near future.

This observation suggests that the EU has to also adapt itself for the next

enlargement; this is the first time in the history of European integration that not only the applicant countries, but also the EU has had to adjust itself quickly to the new situation. This parallel process is the most striking characteristic of the next enlargement of the EU and its institutional reform is one of the main problems in this sense.

### 3/ Implications for Europe

As the EU is now a central organisation of the European continent, it is obvious that its enlargement will have a big impact on Europe.

Article O of the Maastricht treaty stipulates that "Any European State may apply to become a Member of the Union." Now the Amsterdam treaty is in force, of which Article 49 of the Treaty on European Union stipulates that "Any European State which respects the principles set out in Article 6(1) may apply to become a member of the Union." Article 6(1) rules that "The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States."

Before the collapse of the Cold War system, a Western European did not need to reply precisely where the boundaries of Europe were. Europe was divided into two blocks and it was unthinkable that Eastern European countries would apply to become members of the European Community. But nowadays, given that almost all CEECs are applying for membership, Europeans have to answer the question: how far should the EU extend its membership? Article 49 is not clear on this problem. However, not only Europeans, but also non-Europeans are asking where the boundaries of "Europe" will be. What about Turkey's application? Does the EU consider Turkey as a European

state? In any case, the EU will have to define its border sooner or later.

Eastward enlargement is considered as a political issue relating to the security and stability of the European continent. It is obvious that the applicant countries have to reform and restructure their economies to clear the so-called Copenhagen criteria, but the political criterion is more important than the economic and acqui criteria which are rather technical ones. Eastern enlargement of the EU can be understood then as an eastward expanding process of a "security community" that the EU succeeded in establishing with Germany within.

The EU is now forming a more integrated Common Foreign and Security Policy(CFSP), especially since the Kosovo Crisis. It is not clear yet if the EU will succeed in forming a more integrated CFSP or not, but in any case, as the next eastward enlargement has a security dimension, the EU-US relations and the future of NATO concerning the security of Europe have to be discussed. In this sense, the EU's eastern enlargement is more of a political than an economic process.

The EU has developed until now, not having made clear its objectives, its role or its final form. Article 1 of the Treaty on European Union stipulates that "This Treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe." But no one knows what "an ever closer union" means concretely. This lack of a clear vision of Europe might be a fatal blow for the EU in the long terms. Given the ever greater number of new member states and their diversity, eastern enlargement of the EU must lead to a greater or lesser degree of differentiation of some kind among the EU. Whatever the future form of the EU, "geometory variables," "multi-speed Europe," "concentric circles," or "differentiated integration," etc., the EU can scarcely maintain uniformity with the next enlargement. Moreover, as



internal integration is progressing with the introduction of a single currency in 2002, the peoples of Europe are eager to know in which direction the EU is going and what their nation-states or regions will be within this enlarged EU. In other words, the enlarged EU necessitates its political legitimacy or its *raison d'être* to be well recognised by the European citizen. This will be the main topic of the next Intergovernmental Conference which will be held in 2004.

#### 4/ Implications for Asia and Japan

As I mentioned at the beginning of this paper that the Euro-Asian or the Euro-Japanese relationship are less dense than the Euro-Atlantic or American-Japanese relationship, what can be considered, in this context, the implications of an enlarged EU for Asia and Japan?

For Asia and Japan, the enlarged EU can be seen as a chance, as a challenge and as a model.

As a chance, because the enlarged European Market will offer business chances for Asian and Japanese economies also. The single market with a single currency will obviously facilitate an advance of Asian or Japanese companies into the European market.

As a challenge, because if the EU succeeds in managing the difficult next enlargement process and in maintaining its internal integration at some level, the EU will be a strong global actor with its huge single market and single currency. If this becomes the case, a European revival will be occur and the EU will have a very significant influence on world affairs. The EU will then try to expand its presence in the Asian region, which is still a vacuum for world politics.

We can already observe that the ASEM(Asia-Europe Meeting) process which was begun in 1996 is an example in that direction. Recently, the EU made an effort to normalize diplomatic relations with North Korea, the Democratic People's Republic of Korea. Having peacefully solved the divided Germany problem, the EU seems to be intervening more actively in the Korean peninsula problem. The EU is also trying to maintain good relations with China. This expansion of the EU presence in Asia is viewed as a challenge for Asia.

The European presence can be seen also in the more normative domain. The basic consensus of values among the EU is stipulated in its founding treaty: parliamentary democracy, human rights, the rule of law, market economy, respect for minorities. These fundamental values of Europe are also spreading around the world. But these values are sometime contradictory to those of Asia. The Europeans do not hesitate to intervene in a foreign country's internal problem, if they believe that a violation of human rights is occurring. This European human rights diplomacy is also one of the features of the expanding European presence in Asia.

On the other hand, if the EU can manage its next enlargement successfully despite its numerous member states and their diversity, the EU may be a model for the regional integration or regional cooperation of Asia. Even if a single currency is still unthinkable in the Asian region, some kind of cooperation such as a free trade area could be envisaged in Asia also.

For Japan, it may be sometimes uncomfortable if the enlarged EU tries to promote its presence in Asia, thereby competing with the United-States, or with Russia or China. As Japan's security and interests are closely related to the American strategy for Far East-Asia, there is hardly room for Japan to

act against American's policy. (Such is the case in the recent ratification problem of the Kyoto Protocol on climate change.)

#### 5/ Concluding remarks

At the Göteborg European Council of this June, 2001, which took place just after the negative result of the national referendum in Ireland on the Nice Treaty, the Council once again reaffirmed its presidency conclusion that the enlargement process is irreversible; that some of the candidate countries will complete negotiations by the end of 2002; and the objective is that they should participate in the European Parliament elections of 2004 as members.

This means that the next enlargement process will not be stopped and we will see the EU composed of more than thirty member states in the foreseeable future. Nobody, however, can foresee concretely the nature of that enlarged EU. Europe is in this sense faced with a substantial problem never before experienced in her history. In my opinion, eastern enlargement is not a process designed to absorb CEECs in to Western Europe, but to rebuild the European order and to reexamine the role of the nation-state. This reconsideration of the whole European system will inevitably have a direct and indirect impact on the Asian and world orders.

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