

Institut für Europäische Politik



in co-operation with



The Trans European Policy Studies Association

ENLARGEMENT/AGENDA 2000-WATCH

No. 3/2000

issued in November 2000

Edited by the Institut für Europäische Politik in collaboration with

Austrian Institute of International Affairs, Vienna
Centre européen de Sciences Politique, Paris
Centre of International Relations, Ljubljana
Danish Institute of International Affairs, Copenhagen
Estudios de Política Exterior, Madrid
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ON THE PROJECT

The future development of the European Union will be determined by two processes: the accession of thirteen or even more countries, and the ongoing process of internal reform and deepening of European integration, known as Agenda 2000. Both processes are closely linked and will change the face of the Union in the 21st century.

T.E.P.S.A. – Institutes in the 15 EU-countries and the four associated partner institutes from Central and Eastern Europe initiated this semi-annual stock-taking in order to monitor the main features and problems of the accession and negotiation process as well as positions and bargaining strategies of the actors involved. A standardised questionnaire was used by all institutes. Due to the specific position of the applicant countries, country reports from the Czech Republic, Hungary, Poland and Slovenia are presented in a separate section of this survey.

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This survey was conducted on the basis of a questionnaire, sent out in September 2000. Most institutes replied until the beginning of November. Issues of Enlargement-Watch are available on the World Wide Web (<http://www.tepsa.be>) and on the homepages of the T.E.P.S.A.-Institutes. The current issue covers the time period between January and October 2000.

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The Institut für Europäische Politik is particularly grateful to the *Otto Wolff Foundation*, Cologne for supporting the IEP's work on this issue.

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INTRODUCTION

This issue of *“Enlargement/Agenda 2000- Watch”* deals with the aftermath of the decisions on the further accession process taken by the European Council Helsinki as well as with the interrelation with the Intergovernmental Conference that shall be completed in Nice in December 2000. Thus, experts from EU-member states and four candidate countries (Czech Republic, Hungary, Poland and Slovenia) draw a picture of the national debates and positions on crucial aspects of enlargement and reform of the European Union. As in previous issues of *“Enlargement/Agenda 2000 Watch”* their analysis shows the varying degree of attention public opinion and decision makers pay to these two huge projects of European integration.

The country reports presented here were written before the Commission published its Strategic document on November, 8 2000, which includes a road map for the completion of the first round of enlargement in 2002. The reports show that EU member states do not intend to announce a political target date for the conclusion of the negotiations or effective membership of the candidates at the Nice summit. The Copenhagen criteria and the process of natural self-differentiation still form the lowest common denominator inside the EU on how to steer and complete the negotiations. There is, however, a clear expectation, that countries which are judged to be ready for membership will be grouped together so as to make the ratification process more efficient. Most EU-countries see a window of opportunity in the years 2003 and 2005 for first accessions. From the point of view of the four candidate countries (s.a.) membership shall already take place in 2003. This would demand a considerable speeding up of “real negotiations” on the difficult chapters. The option of having a big first round of more than six new members has gained ground over the last months inside the EU but has caused concern in advanced candidate countries like Hungary and Slovenia because of possible delays. Besides some special concerns of member states (i.e. nuclear safety and the case of the Temelin power plant) a core of difficult chapters transpires. It includes: Common Agricultural Policy, free movement of services, capital and persons, transport, justice and home affairs, regional policy social policy and the environment.

All member states expect the EU to complete the Intergovernmental Conference in Nice in time. To tackle the leftovers of Amsterdam is regarded as a key task before enlargement. However, for a more efficient, legitimate and effective EU of 21 or more countries this may not be sufficient. Therefore, proposals for a post-Nice constitutional process are as lively discussed in some member states as the concrete power issues that make up the agenda of the Nice IGC. Points of reference for the wider debate are speeches by Foreign Minister Fischer, Germany, President Chirac, France and Prime Minister Blair, United Kingdom. Also Polish Foreign Minister Bartoszewski contributed to the debate on the finality of the process of European integration. It is generally agreed, that the candidate countries and potential members of the EU shall be duly involved in the post-Nice-discussion process leading up to the next IGC. Moreover, the next reform steps shall in no way erect new hurdles for the candidate countries. Because the belief inside the EU is rather weak that the results of the IGC in Nice will make the EU ready for a significant extension of its membership, this for the time being “frozen finality debate” will re-surface fully after the end of the French presidency.

The agenda 2000 as agreed in 1999 is generally regarded as a workable framework for handling the first accessions, even if more than the presumed six countries will join. At the same time there is awareness of the demand to further the reform of the Common Agricultural Policy and of the problems of excluding new members from Central and Eastern Europe from compensation payments. There is however no talk of revising or increasing the foreseen budget. Only at the time first candidates join the EU, the funds earmarked in the agenda 2000 will be allocated. By and large, the interest constellation of member states in view of the agenda 2000 reform issues have not changed since March 1999. As

there is no immediate need for taking positions, the national governments do not engage themselves in concrete reform proposals.

Public opinion in the EU is still lukewarm on the issue of enlargement within a North-South and East-West slope of attention. Outside political circles enlargement is clearly not regarded as an imminent political priority of the EU. This does however not indicate public hostility to the project of enlargement. Communication strategies of the Commission, the member states and the candidate countries aim at raising the knowledge of costs and benefits of enlargement or accession respectively and at winning support for policy-making inside the larger and even more complicated EU.

All in all, the reflections on the finality of European integration reveal strategic uncertainties over the future of the enlarged EU. Anxieties mix with a nostalgia for a “small Europe” of the founding countries and with the ambition to place a strong and widened EU as a competitive regional actor on the international scene.

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MAIN EVENTS FROM JANUARY TO NOVEMBER 2000

1 January 2000	Beginning of the Portuguese EU-Presidency.
14 February 2000	Beginning of the Intergovernmental Conference on institutional Reform. To be completed by the end of 2000 in order to prepare the EU for enlargement until 1 January 2003. The third meeting of the Association Council between the EU and Estonia is held in Brussels.
15 February 2000	Opening of accession negotiations at ministerial level with the six “second wave” countries, Slovakia, Lithuania, Latvia, Bulgaria, Romania and Malta. The third Association Councils between the EU and Lithuania and between the EU and Latvia are held in Brussels.
1 March 2000	The commission adopts a White Paper on its reform.
21 March 2000	The sixth meeting of the Association Council between the EU and Romania is held in Brussels.
23-24 March 2000	A special meeting of the European Council is held in Lisbon, Portugal, to decide on a new Union strategy to strengthen employment, economic reform and social cohesion as part of a knowledge-based economy.
18-19 April 2000	The ninth meeting between the Presidents of the Parliaments of the countries applying for EU-membership and the President of the European Parliament is held in Ljubljana, Slovenia.
12 May 2000	German Foreign Minister Joschka Fischer holds a speech at the Humboldt-University in Berlin: “From Confederation to Federation. Thoughts on the finality of European Integration”, in which he calls for a European Federation based on a constitution and with a fullfledged executive and a two-chamber legislative.
26 May 2000	Two new crucial chapters are introduced in the course of the EU-accession negotiations with the six countries of the “Luxemburg Group”: free movement of persons, justice and home affairs.
13-14 June 2000	Negotiations with the twelve applicant countries (all but Turkey) at ministerial level.
14 June 2000	The EU opens negotiations on the agriculture chapter with the six “first wave” countries. The sixth meeting of the Association Council between the EU and Slovakia in Luxembourg and the second meeting of the Association Council between the EU and Slovenia in Luxembourg.

19-20 June 2000	The European Council meeting is held in Santa Maria da Feira, Portugal. The broad economic policy guidelines for the member states and the community for the year 2000 are adopted; Greece`s entry into the euro is approved; a common strategy on the Mediterranean region is adopted; an action plan for the Northern Dimension in EU external and cross-border policies is endorsed and backing is given to the EU`s anti-drugs action plan.
27 June 2000	French President Jacques Chirac holds a speech at the German Bundestag: on French European policy goals in which he calls for a “Groups of Pioneers” within the EU.
1 July 2000	Beginning of the French EU-Presidency.
25 July 2000	In a speech in Brussels the new Foreign Policy Minister Wladislaw Bartoszewski calls for a “Europe as a community of Solidarity”.
19 September 2000	The seventh meeting of the Association Council between the EU and Hungary and the sixth meeting of the Association Council between the EU and the Czech Republic are held in Brussels.
28 September 2000	Denmark holds a referendum on the euro. A majority of 53,1% of the Danish people rejects joining the single European currency.
3 October 2000	The President of the European Commission Romano Prodi delivers a speech at the European Parliament in which he warns of an increasing trend towards intergovernmentalism in the process of European integration.
6 October 2000	The British Prime Minister Tony Blair holds a speech at the Polish stock exchange in Warsaw: “Europe`s Political Future”, in which he presents his vision of a larger, stronger and democratic Europe and his proposals for political reform of the EU.
10 October 2000	The seventh meeting of the Association Council between the EU and Poland is held in Luxembourg; The sixth meeting of the Association Council between the EU and Bulgaria in Luxembourg.
13-14 October 2000	Special meeting of the European Council in Biarritz, France. The content of the Charter of Fundamental Rights is approved. Progress is achieved on the questions relating to qualified majority and enhanced cooperation. Questions relating to the size of the Commission and the number of votes in the Council remain highly controversial.
8 November 2000	The European Commission publishes its regular progress reports on the 13 applicant countries and presents a Strategy Paper on the further enlargement process.

LIST OF ABBREVIATIONS

CAP	Common Agricultural Policy
CEEC	Central and Eastern European Countries
CFSP	Common Foreign and Security Policy
CIS	Community of Independent States
ECOFIN	Economic and Finance Council (of ministers)
ECJ	European Court of Justice
EMU	European Monetary Union
EP	European Parliament
ESDP	European Security and Defence Policy
FRY	Federal Republic of Yugoslavia
GD	General Directorate
IGC	Intergovernmental Conference
IMF	International Monetary Fund
ISPA	Instrument for Structural Policies for Pre-Accession
OECD	Organization for Economic Co-operation and Development
PCA	Partnership and Co-operation Agreement
PHARE	Poland and Hungary: Action for the Restructuring of the Economy
QMV	Qualified Majority Voting
SAA	Stabilisation and Association Agreement
SAPARD	Special Accession Programme for Agriculture and Rural Development
WTO	World Trade Organization

ANALYTICAL SURVEY BY EU-COUNTRIES

1. What are the positions of the government, political parties and pressure groups in your country on the terms or the concrete scenarios for accession? Please refer to the following problems:

- **Time frame: Should the Nice summit set a date for the conclusion of negotiations and if so which date?**
- **Differentiation: How many (and which) countries is your government presently picturing as part of the first round? Shall countries of the "Helsinki-group" be included in the first wave? Shall Croatia be added to the list of applicants?**
- **Terms of accession: Which claims and ideas exist in view of the substance and length of derogations in the "difficult chapters" (e.g. CAP, free movement, regional policy, environment, transport, Schengen acquis)?**
- **How does Turkey figure in this picture?**

Austria

Time frame

Chancellor Wolfgang Schüssel recently argued in favour of a target date which should be 2003 or 2004. Preconditions are positive progress reports of the Commission and a successful conclusion of the Intergovernmental Conference in December.¹

There are currently two opposition parties in the Austrian parliament - the Social Democratic Party (SPÖ) and the Green Party. The SPÖ argues that a specific date should not be set. More important are the objectives and the criteria of enlargement.² The Green Party criticises the lack of a concrete enlargement scenario because this raises doubts about the feasibility of enlargement. From the Green Party's point of view, the refusal of the Council to set

¹ "Der Standard", 29.9.2000.

² Written answers by the Social Democratic Party to the issues raised in the questionnaire (via E-Mail).

any date for the conclusion of the enlargement negotiations shows the "lack of a comprehensive and coherent political vision of the questions, which an enlarged Union has to solve, i.e. the democratisation of its institutions and the promotion of social- and economic cohesion vis-à-vis globalisation".³ However, the Green Party does not suggest a concrete target date.

Differentiation

Austria always supported the "regatta model", meaning that any country fulfilling the membership criteria should be qualified to join the Union. The division of the applicant countries in different groups is an inflexible approach which makes it much more difficult to react to a speeding up or slowing down of reform efforts in the candidate countries.

Decisive is the full attainment of the Copenhagen criteria of each applicant country and the successful conclusion of the accession negotiations.

Austria considers Croatia to be a "logical applicant country". Croatia plays a very important role for the stability of the whole region and will be supported by Austria in its efforts to intensify its relations with the EU.⁴

This view is also shared by the opposition parties.

Terms of accession

The working program of the government mentions several areas that need "careful and thorough preparation". These include:

fulfilment of the Copenhagen criteria;

transitional arrangements are necessary in the chapters on "free movement of persons" and "free movement of services", in order to assure the stability of the Austrian labour market;

achievement of the European social and environmental standards by the candidate countries;

³ The positions of the Green Party are taken from a discussion paper, dated September 5, 2000.

⁴ This view was expressed by the Austrian Minister for Foreign Affairs, Benita Ferrero-Waldner, on the occasion of a visit to Croatia in February (see: www.bmaa.gv.at/presseservice).

completely free trade in agricultural products between the EU and the Central and Eastern European countries concerned will be possible only after they have effectively and completely implemented the high Community standards for safeguarding the health of plants and domestic animals as well as for protecting the environment;

nuclear safety: nuclear reactors which cannot be brought up to internationally accepted safety standards at reasonable cost must be shut down early; the highest possible safety standards must be applied to nuclear power plants existing or planned near Austria's borders;

efficient security systems on the (EU external) borders and the capability to take over the Schengen system's standards and regulations.

The main areas of concern for Austria are labour, nuclear safety and road transport.

In May the government submitted an information note to the Commission on "The Free Movement of Persons in the context of EU Enlargement". The paper repeats Austria's arguments for transitional agreements in the chapters of "free movement of persons" and "free movement of services". The most important concern is cross-border commuting because of the wage-differences and the closeness of many Austrian cities to the borders with applicant countries. This could severely disturb the Austrian labour market. There is a broad consensus in Austria that transitional periods are necessary. The details of the transitional mechanisms have to be worked out in the ongoing negotiations. The Employee's Associations demand transition periods according to social and economic criteria such as unemployment or differences of wage levels.

In the field of nuclear safety Austria insists on closure plans for nuclear power plants that can not be adapted to modern security standards. This concerns the plants in Bohunice (Slovakia), Kosloduy (Bulgaria) and Ignalia (Lithuania). Other existing power plants should be adapted to security standards prevailing in the EU and plants under construction should have the most advanced security standards available (state-of-the-art).

In recent months the public debate concentrated on the nuclear power plant of Temelin in the Czech Republic. Austria wants guarantees

that the power plant operates on the basis of "state-of-the-art" security standards and wants to be comprehensively informed. Several times demonstrations, including the blocking of border crossings, took place to protest against the power plant in Temelin. The state governor of Upper Austria, Josef Pühringer, warned that Austria could veto the EU-accession of the Czech Republic if the problem will not be solved satisfactorily.

In the field of transport Austria would like to have arrangements that avoid a heavy burden for Austria's people and her environment due to truck emissions and noise.

Belgium

Time frame

Concerning the conclusion of the accession negotiations, the Belgian government does not consider it desirable to set a concrete date for it. In his speech for the European Policy Center (Brussel, September 21st 2000), Prime Minister Verhofstadt explicitly states that the negotiations have to be concluded as soon as possible, but he stresses that in the first place, all candidate countries are to be judged on an individual basis. "It would be a big mistake to admit candidate countries to the Union on a political basis, even when they do not fulfil the technical conditions. It would be equally a big mistake to keep candidate member states in the 'waiting room' on political grounds only, even if they do reach all necessary requirements"⁵. Although the 'Acquis Communautaire' remains the norm, the Prime Minister does not exclude the possibility of transitional measures for the candidate countries.

As to the government, accession of the candidate countries is not depending on the European Union but on the pace of transition and modernisation of the applicant countries themselves, and thus no time frame has to be set during the Nice Summit.

⁵ Verhofstadt, Guy: "Speech for the European Policy Center – A Vision on Europe", Brussels, 21 september 2000. Own translation. Further reference to this speech are made as "Speech of the Prime Minister, 21.09.2000".

Differentiation

Here we can make another reference to the speech of Prime Minister Verhofstadt (cf. above), where it is stressed that all candidate countries principally are treated the same way. As soon as a candidate country can adopt the 'Acquis Communautaire' and reaches the conditions set out by the European Treaties and Conventions of the European Union, the negotiations can be concluded for that particular country. The differentiation between first and second wave countries is principally wiped out.

As for Croatia, the accession is not a highly discussed topic yet. The gradual co-operation between Belgium and Croatia might be strengthened. The government stresses that the stabilisation of the democratic and economic forces in Croatia is of primordial importance for possible negotiations. By stimulating the stabilisation/accession process Croatia will be brought closer to the EU first.

The Belgian government thus stresses that there can not yet be any concrete accession-plans for Croatia, but it supports in principle the idea of EU-membership in the future and underlines the importance of supporting Croatia in its democratic evolution.

Terms of accession

In the first place, we could refer to the previously mentioned position stating that the countries must accept the complete Acquis Communautaire in order to be able to enter the EU. Special transition-measures may be allowed in certain cases, but derogations should be limited. The possibility of opting out of certain chapters of EU-legislation (referring to the opting out of the Monetary Union of among others Denmark) will not be allowed to the new countries.

Turkey

On the long term and officially, Belgium supports Turkey's membership of the EU. However it is recognised that Turkey still has a long way to go before the Copenhagen-norms will be reached. Belgium supports the idea of a national programme that is set up in co-operation with the Commission with an enumeration of all measures the Turkish govern-

ment should take in order to reach the norms set up by the Commission as soon as possible. The partnership for accession is therefore supported –though at the moment merely in a passive way- by the Belgian government.

Denmark

General position of the Government

The Danish Government is of the opinion that there is no need to develop accession scenarios as such, since the criteria for accession were agreed upon in Copenhagen in June 1993. With regard to 'negotiation scenarios' the core decisions were taken in Luxembourg (December 1997). According to the Government there are no reasons why these two core decisions should be changed. Indeed, a discussion on these matters would risk 'politizising' the enlargement process.⁶

General positions of the most important Danish political parties and interest organizations

In general (with minor exceptions), all Danish political parties support enlargement. What they disagree on is not *whether* the EU should enlarge, but *how* this enlargement should take place. The Socialist People's Party, for instance, is in favour of a 'Europe of several rooms', where applicant countries will be offered special kinds of membership.⁷ Although the right-wing, EU-sceptical party - the Danish Peoples Party is not opposed to enlargement as such, the party is heavily opposed to the whole idea of transferring competences to Brussels. In their view, the EU should be reduced to a free-trade area with limited competences in certain well-defined aspects, such as environmental affairs.⁸ Hence, the argument that the EU would prepare for enlargement by moving to qualified majority voting is not accepted.

The pressure groups confirm the image of Denmark as an extremely pro-enlargement country. The Confederation of Danish Indus-

⁶ Interviews in the Danish MFA, October 2000.

⁷ <http://www.sf.dk> (English version).

⁸ <http://www.danskfolkeparti.dk>, political programme (Danish version).

tries (DI) for instance takes the view that enlargement is an advantage for Denmark since it would strengthen the position of the small and medium-sized countries in the EU.⁹ The industries count on an improvement of the conditions for marketing, investment and competition after Central and Eastern Europe become members. However, it is important for the industry that the single market is not affected negatively. Therefore applicant countries must fulfil the *acquis* of the Single Market and should not be given long transition periods. Nonetheless, the Confederation of Industries is of the opinion that the EU will enlarge in 3-4 years time.¹⁰

Time frame

In principle, Denmark would support a target date for the conclusion of the accession negotiations in Nice. However, the government does not consider it realistic that this step will actually be taken in December 2000. A more realistic option is the European Council in Gothenburg, where Denmark would support a target date. For Denmark it is very important that the date chosen is the 'right' one – i.e. it should not be too close; nor should it be too far away.¹¹ In the euro-referendum campaign several parties stressed the need for a target date.¹²

Differentiation

According to the Danish Government differentiation should only take place through accession negotiations ('natural differentiation'). How many countries will join in the first round, will thus only depend upon the actual negotiations. The Danish Government is of the opinion that the terms Luxembourg and Helsinki group are no longer appropriate. Presently, there is only one group! In principle, countries, which were invited to accession negotiation in Helsinki, can therefore catch up.

It would be premature to add Croatia to the list of applicants. First of all, Croatia has not ap-

plied for membership; secondly it does not fulfil the Copenhagen criteria. In the nearest future, the goal for Croatia is therefore a stabilisation and association agreement; followed by a Europe Agreement.¹³

Terms of accession

The Danish government is of the opinion that the EU has not been fast enough in taking a stand on the difficult parts of the *acquis* (e.g. CAP and structural funds). The pace should be quickened substantially in 2001. In order to ensure that this happens, Denmark will already push for such a development in the fall of 2000. In general, member states should refrain from coming forward with too many requests for transition phases from the EU side of the table.

Concerning CAP, the Danish government supports a gradual phasing in of the applicant countries. The problems in the short term should be solved with transition phases. It would be politically untenable if the new member states in the longer term are treated differently than the old member states.¹⁴

Turkey

Turkey has the status as accession candidate. As long as it does not fulfil the political criteria, it will remain in this category.

Finland

Time frame

The Finnish government deems it unlikely that one could arrive during the French presidency at a point where one could give a concrete date for accession – other than what already was given in Helsinki when it was stated that the Union should be ready to take new members after the end of the year 2002. Setting unrealistic timetables would probably have an effect

⁹ Claus Hovej, Confederation of Danish Industries, *Erhvervsbladet*, 17 February 2000.

¹⁰ Claus Hovej, Confederation of Danish Industries, *Erhvervsbladet*, 17 February 2000.

¹¹ Interviews in the Danish MFA, October 2000.

¹² See for instance the debate in the Danish Parliament, 24 August 2000.

¹³ Interviews, Danish MFA, October 2000.

¹⁴ Interviews in the Danish MFA, October 2000.

opposite to what those willing to have timetables actually aim at.¹⁵

The question of date was obviously discussed during the Finnish EU presidency in the latter half of 1999. Finland did not see that it would be good to give a date; in the informal foreign ministerial meeting at Saariselkä in September, only a minority favoured the idea of giving a date in the Helsinki Summit. The idea that the date should instead be set for the Union itself was then discussed in the Tampere informal summit.¹⁶

Now, instead of picturing at the outset any concrete number of countries that could be part of the first round of enlargement, the Finnish government emphasises the role of previously agreed membership criteria both in how the negotiations proceed and as the ground for admitting new members. Each applicant proceeds according to its own progress, and thus it is also logical that the 'Helsinki group' countries can be part of the first round, should they fulfil the criteria. Treating the applicants equally is seen to be a cornerstone of the credibility of the process of enlargement.

The Finnish Minister for Foreign Trade, Mr Kimmo Sasi, has, among other politicians, stressed this point. Each candidate country proceeds at its own pace and becomes member when it fulfils the criteria. He has also underlined that it is very important for Finland that one keeps to this principle, instead of, e.g., recurring to additional criteria such as some kind of an order of importance or specific groupings among the candidates. Minister Sasi furthermore claimed that the member states

should lead the Commission in these questions, not the other way round.¹⁷

Differentiation

Informally, one seems to have come to admit that enlargement will, or should, for practical reasons happen in groups, simply because taking one applicant at the time would be administratively cumbersome, while admitting all the applicants at once could mean interpreting the criteria a bit more flexibly for some of them.

Croatia is included in the stability process that includes a perspective of membership, and this process has a logic of its own.

Terms of accession

As to the substance and length of derogations in the 'difficult chapters', the government's view is that one should not create new criteria during the process (on top of those of Copenhagen). Yet, on the other hand, derogations cannot be a way to circumvent the criteria. Furthermore, they shall not hamper the functioning of the internal market or other central areas of the Union, or endanger the security of the Union's citizens. The negotiations have not yet proceeded to a phase in which one could concretely foresee the possible derogations or transition periods; the difficult chapters will be tackled, with the exception of environment, first in spring 2001. The starting point is, however, that the possible transition periods should be limited in time and in substance and that they should not hamper the internal market or distort competition. They can be taken into consideration above all in areas where really large investments or other time-consuming measures are needed. Environment seems to be one of the fields in which transition periods seem to be necessary for the sake of fairness.¹⁸

¹⁵ In addition to speeches and newspaper articles, the government position is here based on information obtained from the Finnish Ministry for Foreign Affairs.

¹⁶ Peltonen, Pauliina (2000) 'Päätöksenteko Euroopan unionissa – kahdeksan esimerkkitapausta puheenjohtajamaan näkökulmasta' [Decision-making in the European Union – eight cases from the point of view of the presidency] in Martikainen, Tuomo and Tiilikainen, Teija (eds.), *Suomi EU:n johdossa. Tutkimus Suomen puheenjohtajuudesta 1999*. [Finland in the EU lead. A study on the Finnish Presidency 1999.] Acta Politica, Department of Political Science, University of Helsinki. Here pp. 108-111.

¹⁷ *Helsingin Sanomat*, 9 September 2000.

¹⁸ Yet, here the parliamentary group of the Finnish Green League (*Vihreä liitto*, in government) has stated that lengthy transition periods regarding environmental criteria cannot be admitted: they would mean giving the new member states the right to attract industry and investments with lower environmental costs than elsewhere. Instead of such suspicious indirect measures, they claim, enlargement should be financed honestly through taxation. See

Turkey

The government sees Turkey as a candidate state that is under the same regime – or criteria – as the other applicants, stressing that Turkey has the same rights and obligations as the other applicants have.

In fact, Turkey was also a central issue during the Finnish EU-presidency. During the spring of 1999, Germany had tried to develop the relations between Turkey and the EU, and the Cologne draft conclusions included a plan for creating a timetable for reforms in Turkey and asking the Helsinki European Council to try to reach the decision to grant the status of a candidate state for Turkey. The paragraph was, however, deleted mainly because of Greek and Swedish opposition. Finland's strategy was then to pursue this goal, convincing Turkey about the fact that positive development depends on its own actions. Here, Finland was also mediating between the EU and the USA. After considerable diplomatic activity until the very last minute – including talks between Finland, Greece and the High Representative the day before the summit, and a trip by the High Representative, Commissioner Verheugen and Finnish under-secretary of state Jaakko Blomberg to Ankara – the status was in fact granted.¹⁹

Concluding remarks

In general terms, the point Finland has been underlining is a firm commitment to enlargement and the credibility of the process, which entails that the signals given from the EU institutions and the EU member countries should be coherent. Enlargement is seen as a historic opportunity to remove dividing lines from Europe; the President of the Republic characterised it as being “at the present moment the most important and the most concrete means of promoting stability, security and well-being in Europe”.²⁰

<http://www.vihrealiitto.fi/kannanotot/0427.html>
 (“Ryhmäpuheenvuoro HVK 2000:sta, 9.2.2000”).

¹⁹ Peltonen, *op. cit.*, pp. 112-116.

²⁰ Speech of President of the Republic, Ms Tarja Halonen, at a ceremony marking the tenth anniversary of German reunification in Berlin on 2 October 2000, <http://www.tpk.fi>.

Among the political parties, there is no vivid debate on the issues concerning EU enlargement. The main opposition party, the Centre Party (*Suomen Keskusta*), that was the largest party of all in the recent municipal elections in October 2000, is concerned about the countryside and the farmers, and thus about the effects of enlargement on agriculture in Finland. It has argued that enlargement cannot be financed through the agricultural budget. Enlargement must not decrease the financial support given to Finnish agriculture, nor endanger food safety or risk introducing plant or animal diseases into the country.²¹

France

Time frame

With respect to accession negotiations, the French government is opposed to any setting of a date for their conclusion. The deputy minister for European affairs, Mr Pierre Moscovici, clearly said so to the members of the French Parliament: “we do not intend to set a date for accession under our presidency”²². A few days earlier, he had expressed the same position in the European Parliament: “in a way, the question had already been settled as the Helsinki European Council had decided that 1 January 2003 would be the date when the Union should be ready to welcome the first applicants” and that it was “the only date the Union had agreed upon”²³. Following

²¹ See http://www.keskusta.fi/document_ota.php3?id=30 (16.6.2000).

²² Elargissement. Réponse du ministre délégué chargé des affaires européennes, M. Pierre MOSCOVICI, à une question d’actualité à l’Assemblée nationale (Answer from the deputy minister for European affairs, Mr Pierre MOSCOVICI, to a “question d’actualité” in the Assemblée nationale), Paris, 18 October 2000 (available on the site of the foreign affairs ministry: <http://www.diplomatie.fr/BASIC/epic>).

²³ Débat sur l’élargissement de l’Union européenne. Intervention, au nom de la présidence du Conseil de l’Union européenne, du ministre délégué chargé des affaires européennes, M. Pierre MOSCOVICI (Statement for the presidency of the European Union Council by the deputy minister for European affairs, Mr Pierre

the general affairs Council of 18 September, Mr Hubert Védrine did not say anything different for him: “The only set date is January 2003.”²⁴. As for Mr Jacques Chirac, when he presented the priorities of the French presidency to the European Parliament, he did not expressly oppose the idea of setting a date for the completion of accession negotiations. Admittedly, in the past, he had stood somewhat hastily in favour of accession of Central European countries in the year 2000²⁵. But the explicit reference made by the president in his July 2000 statement to the “differentiation principle” and to the “own merits” of each applicant indicates that there is currently no divergence of views between the position of the socialist government and the Gaullist president on the issue²⁶.

Differentiation

French leaders put forward the following argument : as the development of each bilateral accession negotiation is related to the “own merits” of the applicant country, to its capacity to comply with the “acquis communautaire” (the much-commented 80 000 pages of Community rules), it is impossible to anticipate who shall be ready to join the European Union and when. Setting a date would even entail a

risk of letting in the Union new Member States which might not be in a position to implement the “acquis” of the Union. Their accession could then jeopardize the continuation of an ambitious European construction based on common rules and policies ; it could bring down the Union to a “mere free-trade area” – a phrase commonly used by French leaders to refer to the type of Europe they reject. On the other hand, it is quite legitimate that the work the Union needs to do to prepare for enlargement should not postpone the accession of applicant countries that might be ready : this is why the French make reference to the date of 1 January 2003. They generally take this opportunity to recall that in order to keep this schedule, given the time needed for the ratification of a new treaty, an agreement on the institutional reform of the Union should be reached at the latest during the Nice December 2000 European Council.

The objective of the French presidency is also to give the heads of State or government meeting in Nice a “vue d’ensemble” of accession negotiations²⁷. The sometimes used “accession scenario” phrase may have been confusing. The issue is not to lay down a schedule for subsequent talks but to identify progress and difficulties in each negotiation. In the eyes of the French, only such a review, country by country, chapter by chapter, will make it possible to “identify the hard core negotiating issues to be solved and hence get to the very heart of the negotiations”²⁸.

As we have indicated, French officials are in favour of “differentiating” the applicant countries according to their individual merits. Thus, the position of the government is that one cannot tell today how many (and which) countries will be in the first round of successful applicants : it will all depend on progress made by each applicant in the implementation of the acquis communautaire. Officially, the government does not even rule out that some countries of the “Helsinki group” could be included

MOSCOVICI), Strasbourg, 3 October 2000 (<http://www.diplomatie.fr/BASIC/epic>).

²⁴ Conseil affaires générales. Point de presse du ministre des affaires étrangères, M. Hubert VEDRINE (Press meeting held by the minister of foreign affairs, Mr Hubert VEDRINE), Brussels, 18 September 2000 (<http://www.diplomatie.fr/BASIC/epic>).

²⁵ He probably intended to adjust an image of France as being reluctant to enlargement. Refer to: Florence DELOCHE-GAUDEZ, Les réactions de la France à l’élargissement à l’Est de l’Union européenne. In Edith LHOMEL (dir.). *L’Europe centrale et orientale. Dix ans de transformation (1989-1999)*. Les Etudes de La Documentation Française, 2000.

²⁶ Présentation par M. Jacques CHIRAC, Président de la République, du Programme de la présidence française de l’Union européenne devant le Parlement européen (Presentation by Mr Jacques CHIRAC, President of the Republic, of the Programme of the French presidency of the European Union to the European Parliament), Strasbourg, 4 July 2000 (available in French and in English on the site of the French presidency: <http://www.presidence-europe.fr>).

²⁷ Elargissement: interview de Pierre MOSCOVICI, ministre délégué chargé des Affaires européennes, *Uniting Europe*, 10 July 2000 (available on the site of the French presidency: <http://www.presidence-europe.fr>).

²⁸ L’élargissement de l’Union: un défi historique. (available in French and in English on the site of the French presidency: <http://www.presidence-europe.fr>).

in the first wave. In fact, according to a foreign affairs ministry diplomat, at the end of the French presidency, some States of the “Helsinki group” may have caught up with the countries of the “Luxembourg group” in terms of “provisionally closed” chapters²⁹.

The case of Poland could nevertheless raise a problem for the French : it seems difficult not to include the largest of applicant states, a state close to France as well, in the first round of countries joining the Union ; the Poles themselves tend to view their accession as a political process; thus it has not encouraged them to focus their efforts on the implementation of the *acquis* whereas the French officially hold this as a prerequisite for joining the Union. A faster implementation of the *acquis* by Poland would obviously resolve the dilemma. Being apparently aware of the problem, the Poles have actually set up a “commission” in the Sejm under Mr Geremek’s chairmanship in order to step up transposition of the *acquis* into national legislation and to respond faster to the Union’s information requests in the context of the negotiations. Moreover, during the last EU/Poland association Council, the commissioner in charge of enlargement, Mr Günter Verheugen, mentioned the “admirable” progress made in “all sectors” by that country³⁰. All the same, Poland, a farming country, will have to be able to enforce the CAP *acquis* : according to our interlocutors in the ministry

of agriculture, the Poles would still be far from it.

As for Croatia, there is no project for adding it to the list of applicants for the time being. Admittedly, the Feira European Council qualified the countries of the Western Balkans – including Croatia – as “potential candidates”³¹. Yet, Quai d’Orsay’s diplomats underline that Croatia has not formally applied for membership and that there is not even any contractual instrument between that country and the Union. Therefore, priority should be given to the conclusion of a stabilisation and association agreement. In addition, before going any further, the French are waiting for progress on “regional cooperation” which was called for by all the heads of State or government during the last Feira European Council in June 2000³².

Terms of accession

As regards terms of accession, the position of the French is clear : in order to be allowed into the Union, applicant countries must enforce the *acquis communautaire*. It is therefore out of the question to grant “definitive derogations” to the adoption of the *acquis* in the course of negotiations, unless stipulated by Community texts themselves, as for instance on taxation. One could however accept “transitional periods”, in other words limited periods beyond the accession date during which the country would not be bound yet to implement all the *acquis*, in particular for “difficult” chapters. An example often given in France is wastewater treatment within the framework of the environment chapter. Considering the costly investment required to comply with the *acquis* in this sector, it is difficult to demand its implementation on the day of accession. However, for the French diplomats who participate in the enlargement working group³³, it is no question of granting all the transitional arrangements requested. Actually discussions on how to handle such requests really started under French presidency. The current position of

²⁹ This assertion was confirmed by the results of the negotiating sessions held on 24 October with the Helsinki group countries. Cf. *Bulletin quotidien de l’Agence Europe*, 25-10-2000. Malta and Slovakia then closed 3 new chapters each, bringing their total of provisionally closed chapters to respectively 10 and 9 chapters after only eight months of negotiations. It should be recalled that at the end of the Portuguese presidency, in June 2000, Cyprus had 16 provisionally closed chapters, Estonia and the Czech Republic 13 chapters, Slovenia 12 chapters, Hungary and Poland 11 chapters. With respect to the Helsinki group, Malta had 7 provisionally closed chapters, Slovakia 6 chapters, Lithuania and Romania 5 chapters and Bulgaria 4 chapters. Summary tables are available on the Commission’s site: http://europa.eu.int/comm/enlargement/negotiations/chap_close1.pdf and http://europa.eu.int/comm/enlargement/negotiations/chap_close2.pdf.

³⁰ *Bulletin quotidien de l’Agence Europe*, 11 October 2000.

³¹ The conclusions of the Feira European Council are available on the Internet (<http://europa.eu.int/council/off/conclu/june2000>); cf. item 67.

³² *Ibid*, item 68.

³³ The enlargement group is a working group of the Council in charge of studying the draft common positions prepared by the Commission.

France is that requests for transitional provisions should be assessed on a case-by-case basis with well-defined criteria to make sure they are limited in scope and duration, and they do not affect the smooth running of the internal market.

Among the “difficult” negotiating chapters, that of agriculture is of specific interest to France. There again, the position of the French government is that to become members of the Union applicant countries must enforce all the *acquis* in this field. France indeed fears that some Member States may take advantage of enlargement and difficulties of applicant countries in implementing the farming *acquis* to challenge the CAP. In order to avoid such a situation and encourage applicants to enforce the common policy, French representatives argue that it involves “rights and duties” and that one cannot enjoy the former without fulfilling the latter. More specifically, they consider that one should first look at the way the applicants can implement the CAP mechanisms, in other words the *acquis* of Common Market Organisations as well as veterinary and phytosanitary directives, before looking into the question of aiding their farmers. The common position that the Union sent to the countries of the “Luxembourg group”, last June, took up this two-stage approach.

With respect to CAP mechanisms, no mention is now made of derogations or even transitional periods. The French regularly put forward the specific example of food safety to underline that there cannot be any free access to the single market without simultaneous implementation of veterinary and phytosanitary standards. Actual decisions on applicant countries’ requests for transitional arrangements in this sector are not yet on the agenda. But French representatives seem unlikely to accept those relating for instance to the labelling of beef meat or to health requirements applicable to milk and dairy products.

As regards aids to farmers, the other facet of the CAP, the formal position of France has not been finalized yet. As we have already explained, the Member States postponed the issue until a later stage of the negotiations. Here, a distinction should be made between direct payments and “structural aids”. The latter, intended for modernization of agriculture in Member States should not bring much diffi-

culty insofar as the SAPARD instrument already anticipates on the aids applicant countries could receive from the EAGGF-Guidance. But direct payments do raise questions that remain unanswered for the time being. Admittedly, the ministry of agriculture considers that in the longer term there should be only one CAP, the same for everybody. If farmers from the East accept the same obligations, there is no reason why they should not benefit from the same aids. But the question of the level of aids paid between the day of accession and this “longer term” still has to be settled.

The chapter of free movement of persons raises slightly different problems : in that case, *the Member States*, in particular Germany and Austria, intend to ask for transitional periods. For the time being, French negotiators who already have a great deal to do on the farming chapter, tend to let the countries involved “go to the front”.

Last, on the Schengen *acquis*, once again the French position is to demand the implementation of the *acquis communautaire* even where it means restoring border controls that had been removed. In the case of the accession of Poland, visas for entering Ukraine nationals should for instance be reintroduced.

Turkey

As regards Turkey, the French government’s position remains unchanged : while being satisfied that Turkey has become an applicant like any other country, they are still opposed to opening negotiations until Turkey fully respects the Copenhagen criteria. Last October, before the Members of the European Parliament, the ministry for European affairs, Mr Pierre Moscovici, reiterated that in terms of respect of human rights and fundamental freedoms, progress made was “very far from meeting the Copenhagen criteria” and still stood as “an obstacle to its accession”³⁴. However, the

³⁴ Débat sur l’élargissement de l’Union européenne. Intervention, au nom de la présidence du Conseil de l’Union européenne, du ministre délégué chargé des affaires européennes, M. Pierre MOSCOVICI (Statement for the presidency of the European Union Council by the deputy minister for European affairs, Mr Pierre MOSCOVICI), Strasbourg, 3 October 2000, op. cit.

French are favourable to the implementation of all the components of the applicant status and of the pre-accession phase. They are therefore in favour of adopting a partnership for accession, implementing a financial settlement for allocation of earmarked funds and starting up a screening process with Turkey³⁵. So far, however, the French presidency has not been able to secure the adoption of the general guidelines on the basis of which an accession partnership can be approved because of opposition from Greece.

Concluding remarks

Issues relating to enlargement of the European Union do not produce diverging positions from the government and the opposition. There may be several reasons for this absence of debate. First, in the present cohabitation picture, decisions on the European Union are approved both by a president from the right and a socialist prime minister. The two heads of the executive come from the two major parties on the political scene – the socialist party and the Rassemblement Pour la République (RPR) – which consequently do not challenge them.

Moreover, the relative lack of interest of the French for enlargement does not encourage political parties to address the issue. According to the latest Eurobarometer survey conducted in spring 2000, after Finland, France is the country with the highest percentage of respondents considering that enlargement “should not be a priority”: 71% of people interviewed in France agreed with the statement³⁶. A survey conducted by the CSA could appear in contradiction as 62% of people interviewed stated they were “favourable to the enlargement of Europe”³⁷. But, on the one hand, the questions were not quite the same : saying one is in favour of something and considering it is a priority is not the same thing. On the other hand, in a third opinion survey, carried out one month earlier by the SOFRES, 50% of respondents said that “they did not agree at all” or “rather

disagreed” with “the current process of opening Europe to some ten countries, mainly of Central and Eastern Europe” (41% “totally agreed” or “rather agreed”)³⁸. Here again we have the idea put forward in previous issues of *Elargement/Agenda 2000 Watch* that the perception of enlargement is still too indistinct to produce “clear-cut opinions”.

As regards the positions of the pressure groups, one should distinguish between the industrial sector and the farming sector. In the former, as we have already noted in previous issues, the pressure groups do not really have specific claims. According to comments from a member of Mr Pierre Moscovici’s staff, their “pressure” has not really been felt yet. In a note on enlargement, with respect to accession negotiations, the MEDEF (Mouvement des Entreprises de France) merely notes that the adoption of the *acquis communautaire* raises “a genuine monitoring problem” and that “economic partners should be associated to the assessment reports”³⁹.

The main farming sector union, the FNSEA (Fédération Nationale des Syndicats d’Exploitants Agricoles), is actually more offensive. In its statements, the union reasserts the “vocation” of the countries of Central and Eastern Europe to join the Union. Like the ministry of agriculture, the FNSEA favours “limited” transitional periods so as to avoid “a two-tier” CAP. It also states that in the long term, Central and Eastern European countries “should receive the same aids” as the Fifteen as there “cannot be two categories of farmers”. In the meantime, the FNSEA is obviously more precise than the French government. It considers that, in the short term, “the most appropriate” aids for applicant countries are the “structural aids” – “rural development aids and structural funds”. To support its position, the FNSEA put forward two arguments : direct payments were created to “offset the drop in farm prices” whereas accession will tend “to produce a price increase in applicant countries”; the granting of direct aids could even

³⁵ Ibid.

³⁶ *Eurobarometer 53*, spring 2000, table 7 (available on the site <http://europa.eu.int/comm/dg10/epo/eb/eb53/highlights.html>).

³⁷ CSA survey, 26 June 2000, n° 2000275. In ‘Banque de sondages Canal Ipsos’ on the Internet (<http://secur.canalipsos.com/cap/sondage>).

³⁸ *Les Français et l’Europe*, May 2000 survey, available on the SOFRES site (http://www.sofres.com/etudes/pol/170600_europe.htm).

³⁹ MEDEF, *Rénover l’Europe pour réussir l’élargissement*, October 2000, available on the MEDEF site: <http://www.medef.fr/fr/F/Fnav/Frame.htm>. MEDEF was formerly CNPF.

entail “risks” – such as having “socially disrupting” effects and “preventing the necessary restructuring” through “keeping micro-operations alive”⁴⁰.

Germany

General position

On many occasions the German government stressed the political priority of enlargement for the EU. EU enlargement remains a corner stone of German EU policy. This position is fully shared by the opposition. In his speech at Humboldt University in Berlin Foreign Minister Fischer said: “Enlargement is a supreme national interest, especially for Germany. It will be possible to lastingly overcome the risks and temptations objectively inherited in Germany’s dimensions and central situation through the enlargement and simultaneous deepening of the EU Germany will therefore continue its advocacy of rapid eastern enlargement.”⁴¹ At the official celebration of German unity Chancellor Schröder reassured guests from abroad that the Germans feel particularly committed to make enlargement happen.⁴² The government wants to dispel all doubts concerning its commitment to enlargement and its capacity to lead Germany (also the public) towards this strategic goal. That is why the government reacted in strong terms to the debate triggered by Commissioner Verheugen’s interview⁴³ on the need of refer-

enda in the accession process. Mr. Fischer made it clear that the government finds it unacceptable to make enlargement subject to a referendum in EU-member states.⁴⁴

Target dates

The German government does not expect the Nice summit to announce a target date for the conclusion of accession negotiations or the date of membership for the first candidates. It is however in favour of a road map and supports the Commission’s intention to outline this road map in its strategic document on enlargement in early November. Although the Foreign Ministry had urged the EU to set target dates in the run up to the Helsinki summit⁴⁵, it has become more cautious before the Nice European Council. However, besides the expectation that the EU must be ready for enlargement by the end of 2002 government officials including the Chancellor and the Foreign Minister indicated which date they deem realistic to be achieved. These dates circle round the years 2003 to 2005, i.e. after the general elections of autumn 2002. “I think that we will have enlargement on 1 January 2005 at the latest. If it can be achieved earlier, I would be very happy.”⁴⁶ It is sometimes unclear whether dates refer to the end of negotiations or the start of effective membership. Apparently, more optimistic scenarios for a first round of new members in 2002/03 have lost adherents over the last months.⁴⁷

The opposition parties are split on the issue. Whereas some prominent CDU representatives

⁴⁰ Positions de la FNSEA sur l’élargissement (FNSEA’s stands on enlargement), 11 May 2000; Rappels sur les positions de négociations agricoles des six pays candidats dits de Luxembourg (Reminders of the positions on farming negotiations of the six so-called Luxembourg-applicant countries), 27 April 2000. The positions are gathered in the Elargissement et Agenda 2000 files on the site of FNSEA: <http://www.fnsea.fr/dossiers/elargissement/LP000502.html>.

⁴¹ “From Confederacy to Federation – Thoughts on the finality of European Integration”, Speech by Joschka Fischer at the Humboldt University in Berlin, 12 May 2000.

⁴² Key note speech by Chancellor Schröder, Dresden, 3 October 2000.

⁴³ Cf. “Das Volk soll über die EU-Erweiterung entscheiden”. Der Brüssler Beitritts-Kommissar

warnet davor, wie bei der Euro-Einführung hinter dem Rücken der Bürger zu handeln”, Süddeutsche Zeitung, 2/3 September 2000.

⁴⁴ “Multilateralism as a task of German foreign policy”, Speech at the first conference of chiefs of German embassies, Berlin, 4 September 2000.

⁴⁵ “Setting a date for the end of the negotiations is another item that must remain on the agenda.”, Speech by Mr. Joschka Fischer, Federal Minister for Foreign Affairs, at the general meeting of the German Society for Foreign Affairs, Berlin, 24 November 1999.

⁴⁶ Interview with Foreign Minister Fischer, Berliner Zeitung, 16 October 2000. Cf. also his speech “Multilateralism as ...”, op. cit.

⁴⁷ Cf. Rätselfragen in Europa, Frankfurter Allgemeine Zeitung, 7 April 2000.

like former defence Minister Volker Rühle⁴⁸ argue in favour of setting target dates (2004), the CSU is strictly opposed⁴⁹ to it and implicitly welcomes a slowing down of the process⁵⁰. The joint CDU/CSU position paper on European policy does not propose a date but states that enlargement shall happen as soon as possible but without watering down entry criteria.⁵¹ The FDP claims that first new members should join the EU before the next elections to the European Parliament in 2004.

Also, non governmental actors involved themselves in the debate. In a policy paper the German Chamber of Industry and Trade made statements on when it expects candidate countries to meet membership criteria⁵²: Hungary and Slovenia in 2004, Poland in 2005, the Czech Republic and Estonia in 2006, no dates were given for Slovakia ("unrealistic to enter the EU together with the Czech Republic"), Bulgaria and Romania, and also Lithuania and Latvia.⁵³ In this case, as in the case of a study for the Friedrich-Ebert-Foundation⁵⁴ which

opted for a first enlargement in 2006, the media focused on the dates as the core message although these were not at the centre of the argument.⁵⁵

Differentiation

All political forces including the Bundestag and Bundesrat, underline the imperative, that candidates must meet the membership criteria and that they will be judged on their individual merits. Therefore, the differentiation between a Luxembourg and Helsinki group is outdated in terms of the succession of candidates. However, recently both the Chancellor and the Foreign Minister made statements that they expect Poland to be part of the first round and that they could hardly imagine to exclude this strategic neighbour.⁵⁶ This narrows chances for a smaller number of forerunners, like Hungary and Slovenia, to enter the EU at the earliest possible moment. After the summer break there were more and more voices that took a "big bang", i.e. up to ten candidates entering the EU in a first round into account. This position is explicitly held by prominent representatives of the CDU, but rejected by leading CSU representatives.⁵⁷ Whereas the government does not officially back this position, it does not rule out the big bang option. It therefore welcomes statements by Commissioner Schreyer, that the Agenda 2000 budget will be sufficient also for 10 countries. However, when looking at the Finance and Agricultural Ministry there is a more cautious stance as to the financial implications of such a big step. The FDP warns that the big bang solution would slow down the whole accession process. The Bundesrat has not taken any new positions in these questions.

There is no intention to add Croatia to the list of candidates in the near future. The government is actively supporting the Stability pact development and feels encouraged through the

⁴⁸ Volker Rühle, "Die EU-Anwärter brauchen Termine", commentary for DIE WELT, 29 September 2000. Cf. also the chairman of the EU-committee in the Bundestag, Friedbert Pflüger, "Weltpolitische Verantwortung. Die Erweiterung der EU", article for Frankfurter Allgemeine Zeitung, 20 September 2000.

⁴⁹ Cf. Report of the Bavarian State Minister for Federal and European Affairs, R. Bocklet, before the Committee for Federal and European Affairs of the Bavarian Landtag, 14 March 2000.

⁵⁰ Cf. DIE WELT, 14/15 October 2000, quoting Bavaria's Minister for Europe, Bocklet (CSU). Also Speech of Prime Minister of Bavaria, Edmund Stoiber, on "Reforms for the Future of Europe", Berlin, 27 September 2000.

⁵¹ Europa 2010. Gemeinsame Thesen von CDU und CSU zur künftigen Architektur Europas, Munich, Berlin, 18 September 2000.

⁵² Europa 2000 plus, op. cit.

⁵³ The Confederation of German employers thinks it is unacceptable to put off membership for Hungary, the Czech Republic and Poland beyond the year 2005.

⁵⁴ Wolfgang Quaisser et alii: Die Osterweiterung der Europäischen Union: Konsequenzen für Wohlstand und Beschäftigung in Europa, Gutachten der Friedrich-Ebert-Stiftung, Bonn 2000. The analysis and policy recommendations kicked off a lively debate in Poland. The head of the Polish negotiation team, Mr Kulakowski, asked Polish experts to respond to the report, cf.

Stellungnahme zum Bericht der Friedrich-Ebert-Stiftung, edited by Andrzej Stepniak, Warsaw 2000 (mimeo).

⁵⁵ Cf. Handelsblatt, 24 April 2000.

⁵⁶ Cf. "Schröder hält Erweiterung der EU ohne Polen für undenkbar", Financial Times Deutschland, 12 October 2000. Cf. also Mr. Fischers speech "Multilateralism ...", op. cit.

⁵⁷ Cf. for-big bang Pflüger, op. cit., against big bang Stoiber, Reforms ..., op. cit.

outcome of the elections in Yugoslavia. It favours an "integrated approach" to cooperation in the region of Southeastern Europe that includes a general perspective for EU membership. The Western Balkans are perceived as part of Europe that – for the sake of stability and peace – must be anchored in the "Europe of integration"⁵⁸. Thus the EU shall focus on the Stability and Association Agreement.

Terms of accession

There is a general understanding that there cannot be derogations that will negatively affect the functioning of the internal market. Also, the German industry insists on this minimum pre-condition of enlargement. It particularly refers to: capital markets, public procurement, norms and certification, purchasing of land, competition and anti trust law, state subsidies and intellectual property rights.⁵⁹ Moreover, all political parties and the Länder which are responsible for police and border control stress that the full adoption of Schengen is not negotiable. In addition, the Länder state that their interests are particularly affected with regard to the following negotiation chapters: free movement of persons, services and capital, competition policy, agriculture, transport, social policy, employment, regional policy and environment. They expect to be duly involved in the definition of national positions by the Federal Government.⁶⁰

At present, the government is not discussing positions in specific chapters. However, derogations or transition periods are expected at least for the following areas: transport, CAP, free movement of persons, environment and social policy. The CSU claims special arrangements for free movement of services.⁶¹ The Länder declared that derogations and transitions must take account of the following criteria: clear and objective criteria for any arrangements; clear definition of periods of time for transitions with an built-in flexibility;

avoidance of distortion of competition in the internal market.⁶²

The government wants to phase the candidate countries swiftly into the CAP, so as to rule out a second class membership. Still, transition periods seem unavoidable. The government refers to agenda 2000 budgetary provisions that do not foresee the extension of direct income transfers to the farmers from the new CEE member states. Estimates by the Agricultural ministry say that the extension of direct payments to the five "Luxembourg CEEC" would amount to 4.7 billion € annually (starting in 2006).⁶³ If, in the course of negotiations, respective claims of the member states for equal treatment, will make the EU change its original position, solutions must be found beyond the agenda 2000 budget. Principally, the government thinks that the extension of compensations to the CEEC would be counterproductive. It favours incentives and measures that support structural change in rural areas and the development of alternative employment. This could include an upgrading of funds and instruments. No derogations shall be allowed for production standards (health and safety) and the purchasing of land.

Free movement of workforce is probably the most sensitive and lively discussed aspect of the terms of accession. This takes place on the background of a cross party debate on a comprehensive immigration law, its concept and instruments. The government has established a commission on immigration under the chairmanship of Prof. Süßmuth (CDU, MP) that will publish its report and policy recommendations in the middle of 2001.

The government looks for a yet undefined transition period for free movement of persons. It is supported by the CDU. The CSU seems particularly restrictive, while the FDP and also the Greens favour a more liberal position. Normally, a period of up to ten years is referred to. The confederation of German employers rejects a seven year transition period – as in the case of the Southern enlargement – as too long. They propose to differentiate within a general transition period due to branches and member states. The government tries to coun-

⁵⁸ Foreign Minister Fischer before the Deutscher Bundestag on 11 October 2000.

⁵⁹ Cf. DIHT, Europa 2000 plus, op. cit.

⁶⁰ Cf. "Resolution on the enlargement process of the European Union", 25 conference of the Europe Ministers of the Länder, Schlangenbad, 29 May 2000.

⁶¹ Cf. Report of Bocklet, op. cit.

⁶² Cf. "Resolution on the enlargement process of the European Union", Schlangenbad, op. cit.

⁶³ Cf. Frankfurter Allgemeine Zeitung, 16 August 2000.

tenance fears of mass migration and normally quotes more moderate estimates, as published by the Commission⁶⁴ or the German economic research institute (DIW).⁶⁵ However, even these relatively small numbers of some 220,000 migrants from the CEEC-10 settling annually in Germany (out of 335,000 East-West migrants) are taken as a basis for claiming transition periods. These modest figures do not go unchallenged. Hans-Werner Sinn, head of the IFO institute in Munich, estimates that because of huge wage differentials about eleven million people from Central and Eastern Europe will migrate to Germany up to the year 2030. He opts for a restrictive policy up to the year 2010, while thereafter the demographic situation will demand more foreigners to settle in Germany.⁶⁶

The DGB as the confederation of eleven trade unions wants to avoid any xenophobic sentiments in connection with free movement and Eastern enlargement. It thinks however, that the situation is more challenging than in the case of Southern enlargement, because of greater socio-economic disparities and structural differences and because of Germany's immediate neighbourhood with the new members. It quotes reports which estimate that 80% of the immigrants would settle in Austria or Germany. The DGB holds the view that transition arrangements are necessary, but does not claim a specific length of a transition period. The affiliated IG BAU (construction industry, agriculture and environment) however claims a transition period of at least ten years for construction industry, commercial cleaning services, waste management, agriculture, horticulture and forestry. In these sectors also free

movement of services shall be restricted for a ten years period.⁶⁷

Moreover, transition arrangements should be linked to specific economic criteria and conditions. Trade unions focus on questions of how to avoid wage and social dumping and how to secure the implementation of wage agreements and settlements as well as of the *acquis* in the fields of labour market and social policy. The equal treatment of all legal workforce is a case in point. Anxieties refer in particular to the building and construction industry and services like, hotel and restaurant trade.⁶⁸ Lower qualified workforce is challenged by the new competitors from the CEEC. The DGB favours a quota system to steer immigration from the new member states. Immigrants shall be evenly distributed among the EU-15 and the EU must take account of the situation in specific regions, sectors and branches. The DGB identifies short term cross-border commuters who work in Germany but live in their home country as a problem that needs special attention and treatment so that the number of commuters can be limited and controlled.

There is an overall consensus that flanking measures for regions, particularly affected by accession, will be necessary. Four Länder – Mecklenburg-Vorpommern, Brandenburg, Saxony and Bavaria – presented a concept to the Commission that should add to the initiatives of the Commission for the border regions.⁶⁹

Turkey

Positions have not changed since the decision of the Helsinki summit to grant Turkey the candidate status. While the government holds to its position that there will be no discrimination of Turkey on geographic, historic and religious reasons, and that Ankara must only live up to the Copenhagen criteria to become member, the CDU states : "We cannot imagine membership of Turkey in the foreseeable future. Therefore, it was a mistake to grant Tur-

⁶⁴ Cf. European Commission, DG Employment and Social Affairs, "The Impact of Eastern Enlargement and Labour Markets in the EU Member States – Final Report" (22/05/2000), pp. 50-62 (http://europa.eu.int/comm/dgs/employment_social/parta.pdf).

⁶⁵ Cf. Herbert Brückner, Parvati Trübswetter, Christian Weise: EU-Osterweiterung: keine massive Zuwanderung zu erwarten, DIW-Wochenbericht, 21/2000, pp. 315-326.

⁶⁶ Cf. Financial Times Deutschland, 27 March 2000.

⁶⁷ Cf. Position paper "Industriegewerkschaft Bau- und Agrar-Umwelt, IG BAU-Position zur EU-Osterweiterung", Frankfurt am Main, 11 September 2000.

⁶⁸ Cf. Tageszeitung, 11 September 2000.

⁶⁹ Cf. Tageszeitung, 8 September 2000.

key candidate status now."⁷⁰ The Liberals (FDP) also think that this step was taken too early.⁷¹

*Greece*⁷²

Public discussion in Greece about the perspectives of EU-enlargement remains split in two levels of interest. A general (positive) approach to enlargement as a factor of re-equilibrating the EU away from its north-western initial core and somehow towards a south-eastern direction; a more focused interest in the role of the enlargement process for the web of Greek-Turkish relations and the issue of Cyprus (especially so after Helsinki).

A new position emerging in the context of the IGC, namely Greece's resolution to participate to the core group of countries in a European construction integrating flexibility elements, has been shifting Greek priorities in ways yet not fully realized.

Time frame

The Nice summit is expected to define a time horizon for the conclusion of negotiations, rather as a proof of serious intent. Given the importance of 2003-2004 in the process defined in Helsinki for Greek-Turkish rapprochement an early enough date of conclusion for the first round of applicants is deemed crucial.

Differentiation

Of primary importance for Greece is the inclusion of Cyprus to the first round of accessions. This leads to the acceptance of a first round of more than five, including the Czech Republic,

Hungary, Slovenia, possibly Poland, a Baltic presence and Cyprus. Croatia is not central to the priorities of Greece; still, after normalization of the political situation in Serbia, a Greek position is to be expected asking for a unified EU approach to the Yugoslavia-issued entities (other than Slovenia who has an accepted hand start).

Terms of accession

No well-defined positions, other than those resulting negatively, e.g. no changes in regional policy/Structural Funds that would lead to choking of support flowing to Greek regions.

Turkey

The major political concern for Greece is for its relations with Turkey to benefit of the pressure expected to be brought on the latter by the dynamic created by the perspective of Turkey's ultimate participation to the 21st century European concert (even if not strict accession). The first milestone would be the EU-Turkey special relationship, but it is the uninhibited Cyprus accession process that has the key importance for Greece.

Ireland

Time frame

There is general acceptance that it would be premature to set a time frame at the Nice Summit for the conclusion of negotiations.

Differentiation

The Government's view is that inclusion in the first round depends on preparedness. In a speech in Poland on 25 May 2000, the Taoiseach, while welcoming the prospect of early Polish accession laid emphasis on readiness, indicating that Ireland subscribes fully to the principle of differentiation. He said "that having regard to Poland's history, size population and strategic position, we in Ireland deem it a matter of the first importance that Poland be ready to join in the first wave of the forthcom-

⁷⁰ Cf. Europa 2010, op. cit.

⁷¹ Cf. FDP, On Turkey, 5 November 1999.

⁷² The data concerning Greek positions is taken from the monitoring of "KATHIMERINI" and "TO VIMA" dailies, from "ECONOMICOS TACHYDROMOS" weekly review and "EPILOGI" monthly. Also through discussions with the E.P. representative to the IGC, the E.P. rapporteur on the IGC and the Greek representative to the IGC.

ing enlargement. Ireland looks forward to welcoming Poland as a member in that first wave". The progress made by members of the Helsinki Group is also welcomed but it is too early to determine which countries (from either group) may be included in the first round. There has been no particular discussion of Croatia's inclusion in the list.

Terms of accession

At this stage, the attitude appears to be that the general principles of the negotiation (transitional arrangements should be as limited as possible) should be applied. The Taoiseach argued that the importance and benefit of the Single Market was such "that we all must question very closely any proposed transitional arrangement or temporary derogations which could seriously distort its functioning" He added that: "At the same time, allowances will, of course, have to be made for the heavy financial burdens which the application of the *acquis* will give rise to for some candidates". In the 'difficult' chapters, no precise concerns have otherwise been articulated at official level. Concerns have been voiced in the farming sector about the implications of the accession of Central and Eastern European countries for the budgetary capacity of the CAP, the reasonable demand by the CEE farming sector for direct payments, and the conditions of accession to the *acquis* such as quotas, price supports and transitional arrangements.

Turkey

There is agreement that the Copenhagen Criteria must apply. The government supports the Commission opinion and the approach adopted by the Commission towards Turkey.

Italy

Time frame

Since the Helsinki European Council, in December 1999, during which a broad enlargement process of the European Union involving 13 countries was announced, Italy has always defined the enlargement of the Union as one of

the major challenges of European history. This integration process, in fact, is much more complex and demanding than the previous ones, both for the number of countries asking to join the Union (12 negotiating states, plus Turkey), and for the economic and social differences that exist between member and applicant states. But the accession goal in Italy is unanimously considered "a political necessity to promote and assure stability in Europe" (as affirmed at the Madrid European Council in 1995), and to further economic integration and extend peace and prosperity. The items related to the admission of new countries to the Union has never represented a very controversial point among political parties, pressure groups or the academic world in Italy. Nevertheless, Italian government have always claimed that enlargement represents, above all, an opportunity for the European Union to undertake great internal reforms and changes. Therefore, both the Union and the applicant countries must prepare themselves for enlargement, from two different starting points⁷³: while accession candidates are engaged in negotiations and in concluding the required internal institutional and economic reforms, member states are discussing the best measures to be taken to reform European decision-making, to make it more democratic and efficient.

Since the Union's institutional reforms have had priority over other issues connected to the enlargement process in the last few months, Italian internal debate on the future of the EU has been dominated by discussions and analyses of the timing and nature of those reforms. In this phase, consequently, issues strictly related to the single membership negotiations and the developments in talks on different chapters opened and closed by each candidate have temporarily been put aside. Before expressing an official position on delicate matters, such as a target date for accession, the number of countries to join the Union in the first wave, or the derogations for difficult chapters, the Italian government is waiting for the next Commission Composite Paper to be published on November 8th. In this document, which will be attached to the regular candidate countries' progress reports, the Commission will give an overall political assessment on the current state of preparedness of the new future

⁷³ Interviews with Italian officials, October 2000.

members. Moreover, the results of global technical analysis carried out during this year will be released, as will the individual candidate-by-candidate monitoring tables on accession preparation showing the real state of play in their talks for each chapter. Italian politicians and officials are rather cautious right now about giving precise answers on “accession scenarios” because they feel the need for more detailed information on the fulfilment of political and economic accession criteria in candidate states.⁷⁴ Thanks to the Commission “scoreboards”, it may be possible to judge which countries will be ready for admission and when.

While general trend is to look at the Nice summit as the forum in which an agreement will be reached on a target date for closing accession negotiations, if not for accession itself, the Italian attitude towards setting a date for the completion of negotiations is quite different. The solution suggested by Italy is to defer the debate on the subject and all concrete decisions to the next semester (Swedish presidency), when the results of the talks will be more evident and definite. Besides, setting a target date at a time when greater flexibility is required could have the opposite effect on the candidate countries, with the risk of disappointing their expectations.⁷⁵ The theoretic hypothesis of a “window of opportunity” for the first enlargement fixed between 2003 and 2005, as Mr. Verheugen stated, is shared completely by the Italian government. However, Italy reaffirmed the EU’s commitment – to be renewed at the Nice European Council – to try to close the greatest number of negotiations within 2003 and complete the relative ratification procedures within 2005.⁷⁶

Differentiation

These considerations are directly connected with the question of how many (and which) countries should be included in the first round of admissions: Italy has supported an inclusive vision of the enlargement process, with no differentiation among aspirant members at the time when accession negotiations were opened on equal bases to all associate members. But

since talks are now proceeding on a diversification principle, the possibility of establishing a plan with staggered adhesions could be foreseen, according to the integration level reached by each candidate.⁷⁷ The merits and abilities of each will be rewarded, but geopolitical and organisational requirements should also be taken into account.⁷⁸

Terms of accession

It is not even possible to outline a detailed position on the terms of accession at present. Referring to the so-called “difficult chapters”, on which some candidate states have asked for derogations during talks, on the whole Italy agrees with the idea of granting some transitional periods for those fields or policies in which candidate countries have found more difficulty in conforming to the *acquis communautaire*. But this process should be developed on a case-by-case basis.⁷⁹ First of all Italy affirms that these provisional periods must be reasonably brief. Then “exceptional” derogations can be allowed in areas where an early admission of some candidate can distort the functioning of the internal market, such as health measures or intellectual property regulations, or in sensitive areas such as consumer protection. Moreover we have to consider a different case too: in some fields, such as justice and home affairs or free movement, it could be in the interest of member states grant future members a longer period to conform to community legislation⁸⁰, when they consider it necessary.

⁷⁴ Interviews with Italian officials, October 2000.

⁷⁵ Ibid.

⁷⁶ Ibid.

⁷⁷ See the Speech delivered by Lamberto Dini, Italy’s Foreign Minister, at interdepartmental committee meeting on European matters, 31 January 2000.

⁷⁸ See, for example, “UE: Amato, allargamento a <candidati pronti> dal 2003”, <http://www.ilsole24ore.com>, 24 October 2000; Vittorio Da Rold, “Budapest vuole anticipare l’adesione alla UE al 2003”, *Il Sole 24 Ore*, 13 October 2000; Sandro Scabello, “La Repubblica Ceca è pronta a entrare nell’Unione nel 2003”, *Il Corriere della Sera*, 23 October 2000; Enrico Brivio, “Battaglia di date sull’allargamento: la Polonia entrerebbe nel 2004”, *Il Sole 24 Ore*, 11 October 2000.

⁷⁹ Interviews with Italian Officials, October 2000.

⁸⁰ Ibid.

So, Italy seems to be inclined to admit derogations, on a case-by-case basis and with some severity, above all in fields where heavy structural investments are expected (for example, environment and energy), which candidates may not be able to meet for the moment, and in those cases where transitional periods are required to avoid an even more dangerous lack of implementation.

Agricultural policy is one of the most delicate aspects of negotiations and in this field both a cautious and realistic approach is needed. A lot of derogations have already been requested, but such difficulties don't seem to be insurmountable: Italy is in favour of a progressive adaptation⁸¹, letting candidate states taking their time to conform in detail to rules they never applied before or that are still discussing, such as direct payments to farmers. According to this statement, in the next months at least ¼ of transitional periods required will be accepted.⁸²

Croatia and Turkey

As far as Croatia and Turkey are concerned, they have different status at the moment: for Italy, Croatia is without a doubt a potential candidate for the European Union, and Italy sincerely wishes that all the necessary conditions to start a pre-adhesion strategy be fulfilled soon. Croatia is currently only involved in a stability and association process with the EU, and it is impossible to know whether it can be added to the list of applicants. However, economic and political relations between Croatia and Italy are positive and can only improve in the future.

Turkey already has the status of candidate country. Because of mutual good relations, Italy has consistently sustained the Turkish application for EU membership in the past, insisting that it should be treated on an equal plane with other associate members.⁸³ However, until Turkey complies with all Copenhagen political criteria, implementing difficult and necessary internal reforms, the EU will not

consider opening an adhesion partnership. The Italian government is quite optimistic that concrete preparation for EU entry, with the active participation of all member states, could start very soon. But at the same time Italy claims that in the proposal presented by the Commission, on "Regulation on the establishment of accession partnership", all terms of the process should be accurately established.⁸⁴

Concluding remarks

There is also substantial agreement on these items among all political players in the country: the primacy of both the Copenhagen criteria and the European *acquis* is universally accepted and recognised as a *sine qua non* condition for each concrete decision on the enlargement process, and on all practical matters such as which countries will be included in the first wave of adhesion and the substance and length of derogations on difficult chapters.

Netherlands

The Dutch government still considers the enlargement process as a priority in its European policy. In its yearly report "the state of the European Union"⁸⁵ the government proposes to agree on a time-table at the Nice summit, because it expects that such a time-table will keep the pressure on the negotiations. Moreover, it is considered to be good for the candidate countries to offer them a target point. According to the government, "it avoids

⁸⁴ Interviews with Italian officials, October 2000.

⁸⁵ *De staat van de Europese Unie - De Europese agenda 2000-2001 vanuit Nederlands perspectief*, (The state of the European Union) published on the internet-site of the Dutch Ministry of Foreign Affairs: <http://www.minbz.nl>, p. 35. This report is published yearly and is presented to the parliament at the presentation of the government's budget in September. The report describes the position of the Dutch government regarding the different items on the European agenda and aims to contribute to the parliamentary and public debate on European issues in The Netherlands. The government has promised to present a further paper about the enlargement in autumn, before the European Council meeting in Nice.

⁸¹ Ibid.

⁸² Interviews with Italian officials, October 2000.

⁸³ See Enlargement/Agenda 2000 Watch, n° 1, 1999, question n. 5, and Enlargement/Agenda 2000 Watch, n° 2, 1999, "Enlargement/ Accession", questions n.2-3.

a situation in which the enlargement disappears behind the horizon". The enlargement must therefore take place as soon as possible and with as much countries as possible.⁸⁶ Prime Minister Kok has stated in a speech in May that the European Union will admit the first new member states within five or six years. The first wave should, according to Kok, consist of at least five or six countries.⁸⁷ The Christian-Democratic CDA, the largest opposition party, is against the setting of accession time-tables or target dates and stresses the importance of a strict use of the accession criteria. The CDA has recently urged the government not to agree with any decision in such a direction.⁸⁸

The government of The Netherlands supports the negotiations with the enlarged group of candidates. Differentiation must take place according to speed and quality, on the basis of an individual assessment of all candidates. If the performance of a country is improving, new chapters can be opened in the negotiations.

The government has responded positively to the political changes in Croatia and favours an intensification of the political debate with the new Croatian government. It is considered useful to form a consultative task-force between the EU and Croatia and the activities of the Commission office in Zagreb should be intensified.⁸⁹

Terms of accession: environment

The Dutch government realises that transitional arrangements might be necessary in certain policy fields. But where such derogations have consequences for the internal market, they should certainly be kept at a minimum. Especially in the field of environment, the government expects that transitional periods are unavoidable, because the available financial instruments will not always be sufficient to make the necessary investments in the candidate countries.⁹⁰ The Minister of the Environment has declared in a speech in May 2000 that he favours a rapid accession: "*the sooner applicant countries in Central and Eastern Europe become members of the European Union - which implies relatively long transitional periods for environmental investments - the better it will be for the environmental quality of Europe as a whole*".⁹¹ He added that if the EU does not accept such transitional periods, more finances are needed to deal with the environmental problems. At least, the Dutch government wants to maintain a stand-still principle, which means that the implementation of the *acquis* in the new member states should not lead to a deterioration of the existing environmental situation. The government of The Netherlands gives priority to the implementation of directives which have global and cross-border effects or effects for public health.⁹²

The VROM Council, an advisory body of the Ministry of Housing, Spatial Planning and the Environment, notes in a report of December 1999 that the diversity in local and regional environmental standards will further increase with the enlargement.⁹³ In order to guarantee a satisfactory protection level in such a situation, it is necessary to allow variation in emission and product standards. EU directives and regulations should then shift from means-oriented

⁸⁶ See also a speech of Prime Minister Kok, De Europese Unie: samen verder met verdieping en verbreding (The EU: continuing together with deepening and enlargement), summarised in an article in *Internationale Spectator*, The Hague: Clingendael, June 2000.

⁸⁷ "Kok: EU moet snel uitbreiden tot 25 lidstaten" (EU should rapidly enlarge to 25 member states), in: *de Volkskrant*, 3 May 2000. "Kok: Uitbreiding EU is noodzaak", (Kok: Enlargement EU is necessary) in: *de Telegraaf*, 3 May 2000.

⁸⁸ Motion of MP de Hoop Scheffer, leader of the parliamentary fraction, Second Chamber, 2000-2001, Document 27407, motion nr 4, 10 October 2000.

⁸⁹ Second Chamber, 1999-2000, document 21501-02, nr 325.

⁹⁰ *Staat van de Europese Unie*, p. 112.

⁹¹ Opening remarks of Minister Jan Pronk (Housing, Spatial Planning and the Environment) at a public debate on the EU enlargement at 17 May 2000 in "de Balie", Amsterdam.

⁹² *Staat van de Europese Unie*, p. 112.

⁹³ VROM Council, *The Netherlands and the European Environment - Advice on Differentiation in European Environmental Policy*, The Hague, Advice 019E, 21 December 1999. Also published at the internet: <http://www.vromraad.nl>.

to result-oriented measures. The VROM Council considers the concept of concentric circles as an appropriate strategy for the enlargement, on the condition that it must be as attractive as possible for new member states to progress from the outermost layer inwards.⁹⁴

Terms of accession: Common Agricultural Policy

With respect to the Common Agricultural policy, the enlargement of the EU should take place in such a way that it does neither create obstacles for further reforms in the line of the McSharry plan and Agenda 2000, nor for the negotiations on agriculture in the WTO, nor for the poorest developing countries.⁹⁵ The possibility of transitional arrangements for the new member states is not excluded in this field. The Dutch government sees the enlargement of the EU and the negotiations in the WTO as interrelated processes and emphasises that the candidate countries and the EU must take consistent positions in the WTO-negotiations on agriculture.

The government is convinced that the CAP, in its current form, cannot be taken over by the candidate countries. Reforms should therefore, according to the Dutch government, take place already in 2003 and not in 2006 as was decided in Berlin. Earlier reform is especially necessary in sectors where prices still differ considerably from the world market level, like the sugar and dairy products sectors, but also other agricultural sectors can be included. The starting point for the Dutch government is the expectation that market forces offer at the long term the best guarantees for the Dutch agricultural sector. Moreover, it is believed that a further reduction in the protection of the agricultural sector will favour the developing countries and that it will make the enlargement negotiations easier.

LTO Nederland, the main interest group for the Dutch agricultural sector, has called the government's intention to reform the sugar and dairy products sectors already in 2003 "not

acceptable".⁹⁶ LTO does not want to deviate from the agreements of Berlin. With respect to the reform of the CAP, LTO agrees that the argument for income support to farmers in the future is no longer the food production, but the multifunctional role of agriculture. In the view of LTO, a clearer definition of this multifunctional role is necessary in order to serve as a basis for the instrument of cross-compliance (the setting of criteria for direct support). LTO criticises the government's proposal to use the instrument of modulation (the possibility for member states to reduce the direct payments to farmers on the basis of criteria like a company's income or a maximum amount of payments). The organisation thinks that the government should take measures to prepare the farmers for a liberalised market instead of accelerating the reduction of incomes.

The fear among Dutch farmers that the enlargement will deteriorate their position on the market is confirmed by a study of the Central Planning Bureau (CPB).⁹⁷ The researchers conclude that "still, there is a serious chance that, in the longer term, the abundance of land and cheap labour in the CEEC's will undermine the competitive position of Dutch agriculture, so that the share of Dutch agriculture on the EU market will decrease".⁹⁸ On the other hand, the researchers observe that the position of the Dutch small- and medium-sized businesses (which produce supply goods and services in the agricultural sector) differs fundamentally from the position of the farmers. The technological lead of the small- and medium-sized businesses is considered large enough to survive, and perhaps take advantage of the growing competition after the enlargement.

Terms of accession: transport

An interesting initiative from the transport sector is a joint report by three representative organisations in which they formulate their

⁹⁴ VROM Council, p. 25-27 and 58.

⁹⁵ The Dutch position is laid down in a recent report of the Ministry of Agriculture "Voedsel en Groen - Het Nederlandse Agro-foodcomplex in perspectief", The Hague: Ministry of Agriculture, July 2000.

⁹⁶ Response of LTO Nederland to the report "Voedsel en Groen", published on the internet: <http://www.lto.nl>.

⁹⁷ Herman Stolwijk, The Dutch food and agricultural sectors and the enlargement of the EU, in: *Kwartaalblad CPB Report*, 2000/1, published on the internet: <http://www.cpb.nl>. The report summarises the findings of a joint scenario-study by CPB, ING-Barings and SEO.

⁹⁸ Stolwijk, p. 41.

vision on a European transport policy.⁹⁹ The report expresses the wish that the candidate countries complete the implementation of the European transport legislation before the accession takes place. Moreover, the organisations propose that the EU bases the compliance with the *acquis communautaire* in the candidate countries on a system of licenses for road transport. The three transport organisations hold the opinion that these measures, together with an effective control system, will evade unfair competition and distortion of the transport market.

Terms of accession: third pillar / Schengen

The government aims to involve the candidate countries in third pillar issues as much as possible. An example is the pre-accession pact for organised crime.¹⁰⁰ The relation with the candidate countries should also have a prominent place in the integrated external policy for Justice and Home Affairs, as decided upon at the European Council of Feira. During a visit to Romania in June, Prime Minister Kok has made clear to the government in Bucharest that The Netherlands supports the abolition of the strict visa requirements for Romanians, on the condition that Romania succeeds to ensure stability at its borders.¹⁰¹

Turkey

The government has not changed its policy towards Turkey in the past six months. It supports the candidate status, although it holds the opinion that Turkey does not fulfil the political criteria of Copenhagen yet (see the previous issue of the Enlargement Watch). Members of the Dutch parliament have asked several questions in the past few months about the human rights situation in Turkey, including questions about the re-organisation of Turkish prisons

and the arrest of three Kurdish mayors.¹⁰² Minister of Foreign Affairs Van Aartsen has answered that he is worried about these events. He assured that the government of The Netherlands will continue to urge the Turkish authorities to respect human rights when this is necessary.¹⁰³

Spain

Time frame

The Spanish government would like to see negotiations concluded in time so the first accessions can take place as planned on 1 January 2003. However, the government is against fixing a binding date for the conclusion of these negotiations. In the opinion of the government, a deadline will be counterproductive because if crucial chapters are prematurely closed, it will inevitably require reopening them later on.

Differentiation

Spain has not changed its policy of non-discrimination (the "regatta approach"): it supported the opening of negotiations with all the candidates meeting the political criteria and would like to see the candidates acceding to the Union on their own merit once negotiations are satisfactorily concluded. Belonging to any of these two groups does not, therefore, guarantee or presuppose an earlier or a later accession to the Union. With respect to Croatia, the government would rather see its eventual accession to the Union being discussed in the framework of the next enlargement.

Terms of accession

The concept of "derogations" is completely alien to the Spanish government. The adoption, implementation and enforcement of the "*acquis communautaire*" by the candidate countries is a

⁹⁹ *Naar een werkelijk integraal Europees transportbeleid - de gemeenschappelijke visie van EVO, TLN en KNV*, January 2000. The three organisations together represent around 45,000 companies in the transport and shipping sector.

¹⁰⁰ *Staat van de Europese Unie*, p. 60.

¹⁰¹ "Kok steunt Roemenië bij toetreding EU" (Kok supports Romania in EU accession), in: *NRC Handelsblad*, 27 June 2000.

¹⁰² Questions nr. 859 (24 February 2000), nr. 943 (27 March 2000), nr. 1162 (11 April 2000) and nr. 1698 (1 August 2000), Second Chamber 1999-2000.

¹⁰³ Reply to question nr. 859 (24 February 2000), Second Chamber 1999-2000.

sine qua non condition for enlargement. Spain is, however, sympathetic to the idea of "technical transitional periods" for the adoption, implementation and enforcement of the *acquis*. These transitional period look inevitable with respect to:

The CAP, for two reasons: First, enlargement has to be compatible with the maintenance of the existing budgetary and production equilibrium; second, CAP funds to Central and Eastern Europe should be geared towards restructuring agricultural exploitations and improving their competitiveness, not to support personal income via direct payments.

Structural & regional policy: the Spanish government will not accept that the poorest regions in Spain stop qualifying for structural funds merely as a result of the statistical effects of Eastern enlargement on EU relative wealth measurements. Spanish regions currently under Objective 1 will stop qualifying for these funds only when they reach 75% of EU/15 average GDP, not of EU/20 or EU/25 and once adequate phasing out strategies are adopted. This is a matter of high political sensitivity for Spain.

Environment will be an important issue for Spain to the extent to which exemptions for the Eastern candidates on matters of environmental protection have a negative impact on competition regulations and ultimately translate into lower prices for Eastern products.

Transport and the free movement of persons are not important issues for the Spanish government, Spain does not fear neither an overload of its land infrastructures nor a massive influx of immigrants as a consequence of Eastern enlargement.

Turkey

Spain supports EU policy of considering Turkey as a candidate country and will like to see Turkey meeting the political conditions for EU membership so accession negotiations can be opened. The accession partnership with Turkey is a good instrument for promoting change in Turkey and therefore, the Spanish government would like to see this partnership approved and implemented as soon as possible.

Sweden

Generally, the government party and the opposition parties have a more or less identical view on a number of enlargement issues - maybe a kind of "harmonization" partly caused by the upcoming Swedish Presidency of the EU. Therefore, no major differences exist on these issues. "The Government as well as the opposition regard the enlargement of the EU as the most important issue for the Swedish Presidency, and hope that this process will gain pace during this period."¹⁰⁴

In general, it is hard to find a political party or pressure group of significance that is opposed to the enlargement - that would almost be considered "politically incorrect". For example, the Swedish agricultural organization LRF have joined in with the government's praising of this "historical opportunity", in some contrast to its continental counterparts.

Time frame

In the draft programme for the Presidency, it stated that "Sweden will strive to pave the way for a political breakthrough in the negotiations". This had also been declared when Prime Minister Göran Persson together with Britain's Prime Minister Tony Blair wrote in Financial Times that "the EU can pave the way for a political breakthrough during the next year with the best applicants"¹⁰⁵.

The Swedish Government considers it too early to set a final date at this stage in the negotiations due to the many difficult issues that have yet to be discussed. It has been suggested that a fixed schedule might be adopted during the Swedish Presidency. (Regarding the time-scope, see also the next point.)

The largest opposition party, liberal-conservative Moderata Samlingspartiet, has often expressed the need for speeding up the process further. Last May, the party leader Bo Lundgren said in parliament that the negotiations with the best prepared countries should be able to be concluded already by the summer

¹⁰⁴ Press statement from the parliamentary foreign policy committee, 26 May 2000.

¹⁰⁵ Financial Times, 21 September 2000.

2001, allowing them to become members as planned by 1 January 2003.¹⁰⁶

Differentiation

The Swedish Government fully supports the "regatta model" of accession, signifying that individual countries shall qualify on individual merits. All countries including the "Helsinki group" therefore, in the official discourse, compete on equal terms, and no "first round" or "first wave" exists. Foreign Minister Anna Lind, in a speech at a seminar on EU enlargement, argued that "countries making good progress must not be kept waiting for other candidates to catch up".

This said, Ms Lindh in the same speech declared that: "We hope to close a number of chapters for the best prepared Luxembourg countries, including the more difficult ones, during our Presidency. We will seek to open the remaining chapters for the most advanced Helsinki countries, in accordance with the Feira conclusions. But to achieve this, we also need the countries concerned to intensify their efforts."¹⁰⁷

One should probably not be too surprised if Sweden pays a little extra attention to the Baltic states. A generally held view is that Sweden, Denmark and Finland are already "competing" for being the one paving the way for the Baltic states into the EU and thereby establishing some kind of regional "hegemony"¹⁰⁸.

Regarding Croatia, there is no formulated view on whether it should become a member or not, but the current association agreements between Croatia and the EU are seen as a the first and important steps towards a possible candidacy.¹⁰⁹

Terms of accession

The general view is that of derogations being the "difficult chapters" and that any transitory period should be kept as short as possible, coupled with a clear and transparent plan (including financial framework) on how full compliance with the EU acquis shall be achieved. As noted in "Enlargement/ Agenda 2000 Watch No.2 1999" (page 73-74), there are worries that "generosity" in certain areas (such as environment), could create the impression that these areas are less important and therefore require less attention in the candidate countries.

The liberal daily "Svenska Dagbladet" subscribes to the opposite view, and points at the conflicting priorities that it finds in the government's plan for the Swedish Presidency. Of the "three E:s" - Enlargement, Environment and Employment - Sweden's enthusiasm to regulate the two latter policy areas could seriously damage the prospects for the first, by adding new demands on the candidate countries.¹¹⁰

Turkey

As Turkey has not yet fulfilled the "Copenhagen criteria", any discussion about "time frame", "derogations" etc. is considered somewhat premature, according to foreign ministry officials. Turkey is in other words currently not "in this picture".

In more general terms, "special attention must be paid to the Union's relationship to Turkey and that country's undertakings in connection with the accession partnership", according to the draft programme for the Swedish Presidency. "The political dialogue with Turkey should be intensified, with human rights issues playing a central role in this context".

United Kingdom

Enlargement is still not a subject that is discussed in great depth by very much of the political class. Domestic debate on European issues remains centred on Britain's role within

¹⁰⁶ Protocol from Swedish parliament, 10 May 2000.

¹⁰⁷ "Enlargement - a historical opportunity", speech by the Foreign Minister at the seminar on EU Enlargement, 28 September 2000

¹⁰⁸ See for example the former Foreign Minister of Denmark, Uffe Ellemann-Jensen, in Dagens Nyheter, 5 September 2000

¹⁰⁹ According to Foreign Ministry officials.

¹¹⁰ Svenska Dagbladet, 27 September 2000.

the European Union and membership of the single currency. As such enlargement still seems a rather remote subject.

However given the stepping up of the debate on the future of Europe, notably through the contributions made by German Foreign Minister, Joschka Fischer, and French President, Jacques Chirac¹¹¹, the British government is sensitive to accusations about being at the margins of Europe. As Foreign Secretary Robin Cook remarked in July 2000 *'I also know that the most effective diplomacy is usually the product of a clear national consensus. As the great debate about the future of Europe unfolds, I want Britain to have a pivotal role. Nothing will do more to disrupt our efforts than the impression that Britain is still undecided on the central question of whether our destiny lies inside the European Union or not.'* Those members of the government whose work involves a strong international dimension are more likely to attach greater importance to being at the heart of developments in the European Union, and the need for Britain to play a full role.

Partly in order not to be left out but also to try and ensure a central place for Britain in the future of Europe debate, the Prime Minister, Tony Blair, spoke in October 2000 in Warsaw in an attempt to set out his vision of the future of Europe. Although it continued the trend of making 'pro-European' speeches abroad, the speech was nonetheless seen as a significant contribution to the debate. It may yet result in enlargement becoming more visible in political discourse.

Time frame

In terms of the time frame for enlargement, the government is beginning to come out in favour of setting target dates for accession of new members. In his Warsaw speech Blair stated that *'...I am determined there should be a breakthrough on enlargement under the Swedish Presidency. I will be urging Europe's po-*

litical leaders to commit themselves to a specific framework leading to an early end of the negotiations and to accession. I want to see new member states participating in the European Parliamentary elections in 2004 and having a seat at the table in the next Intergovernmental Conference'.¹¹²

Blair had earlier written, together with Swedish Prime Minister Göran Persson, with reference to enlargement: *'The aim should be decisive progress in the negotiations. With that in mind, the EU should consider setting an early target date for the first accessions.'*¹¹³ With neither of their countries in the Eurozone there is perhaps a combined sensitivity to charges of not being at the heart of Europe and thus a compensatory desire to be (seen to be) proactive in other areas.

Enlargement is close to the heart of the British government's priorities in its European policy. As it often reminds us, it was they who launched the enlargement negotiations during the British Presidency in 1998. In addition enlargement is a cause, which is relatively uncontroversial - the Conservatives also support it - so there is little domestic political capital to be lost in advocating it. Enlargement remains uncontroversial however because the debate is conducted in rather simplistic terms. Support for enlargement can be described as shallow as a result.¹¹⁴

In a major report, with contributions from several eminent academics and commentators, published by the Centre for Reform¹¹⁵, the Foreign Affairs Editor of the Financial Times, Quentin Peel, noted the contradictions in British views on enlargement. Firstly, the rest of Europe still harbours suspicions of British motives for supporting enlargement as a means of preventing deepening of the European Union, which has been seen as the traditional perception of British governments. Secondly,

¹¹¹ Joschka Fischer, 'From Confederation to Federation. Thoughts on the finality of European Integration'. speech given at the Humboldt University, Berlin, 12 May 2000. Jacques Chirac. 'Our Europe', speech given at the Bundestag, 27 June 2000. Both reproduced as Federal Trust European Essays, Federal Trust, London.

¹¹² Tony Blair, 'Europe's Political Future', Warsaw, October 2000.

¹¹³ 'Reaching out to all of Europe', Financial Times, 21 September 2000.

¹¹⁴ Eurobarometer 52 (Autumn 1999) indicates that 41% of Britons support enlargement, with the highest levels of support for Norway, Switzerland, Cyprus and Malta.

¹¹⁵ The Unification of Europe? An Analysis of EU Enlargement, edited by Charles Jenkins, Centre for Reform, London, September 2000.

there has been no discussion of costs, particularly on the diversion of structural funds, nor has there been a very public debate about either the institutional reforms necessary to ensure efficiency and success for the EU in the future or their consequences such as the increased pooling of sovereignty.

Differentiation

With regard to differentiation, the official line is that there is no reason why countries should be grouped into a first or second or third wave. Candidates will be judged on the basis of whether they meet the accession criteria and there is no reason why those in the 'Helsinki Group' couldn't catch up with the early front-runners, who in turn could slip back. Progress will be judged purely on the merits of the applicants meeting the terms of the *acquis*. It is acknowledged however that enlargement will be phased. The government no doubt finds it invidious to name particular countries for inclusion or exclusion, although informally it seems that the Czechs, Hungarians, Slovenes, and probably the Poles are expected to be in the first enlargement.

As with the existing candidate countries from central and eastern Europe there is no groundswell of public opinion for Croatia to join the European Union. Nonetheless the government is supportive of the reform process in Croatia undertaken since the elections of both the new government under Prime Minister Ivica Racan and President Mesic. Foreign Secretary Robin Cook has said that 'I warmly welcome the very courageous steps taken in Croatia to bring its government and its policies into line with the standards of modern Europe. Europe must be generous and quick in responding by bringing Croatia into the family of Europe'.¹¹⁶ Additionally the EU Stabilisation and Association Agreements are regarded as offering the prospect of EU membership and should not be regarded as inferior to the Europe agreements offered to the central and eastern European countries in the 1990s.¹¹⁷

¹¹⁶ During a meeting with Prime Minister Racan in London on 4 May 2000.

¹¹⁷ See Speech by the Foreign Secretary in Zagreb, 13 March 2000: 'Developments in Croatia: Setting an Example for the Region', from www.fco.gov.uk.

Terms of accession

Given that countries are not in public mentioned for early or later membership, attention tends to focus on issues and their relation to the terms of accession and derogations. In this context, concern is often voiced on the need for CAP reform to accompany accession of new member states, particularly Poland. As Roger Liddle, the member of the 10 Downing Street policy unit with responsibility for Europe has written: '*The question of agriculture and the CAP is of key importance. The Poles and other applicants are unwilling to accept a two tier membership of the EU. The British government agrees that we should aim for a common policy for the whole of the EU and therefore a more rapid reform of the CAP than we have seen so far. The French presidential elections will hopefully provide a suitable climate for such change.*'

Free movement of labour is regarded as a problem, which transition periods can solve but the issue lacks the immediacy to the British – especially in terms of financial impact – of CAP reform. The importance of ensuring administrative capacity in the candidate countries together with border control and crime and drugs policies have however moved up the political agenda as they are perceived as affecting highly developed areas, such as the UK.

Turkey

Turkish accession to the European Union is linked particularly to two factors, resolution of the division of Cyprus and human rights improvements. With Cyprus' status as a member of the Commonwealth and sizeable Cypriot communities in the UK attention often focuses on the Cypriot application for EU membership. The desire is often voiced for symbiosis between the EU accession negotiations and the UN led peace process. Turkey is seen as having a constructive role to play here. The second factor – human rights – remains a reasonably potent factor because of the visibility of human rights organisations in the UK. These factors withstanding there is nonetheless a great deal of good will for Turkey to make notable domestic progress irrespective of the immediate impact on EU accession.

2. What is the relation between the ongoing IGC and the pace and terms of enlargement

- **from the point of view of your country's government?**
- **from the point of view of the opposition?**
- **as discussed in public opinion/ academia?**

Are proposals for a new IGC under discussion?

What is the attitude at this time towards the need to draw up a European constitution?

Austria

The IGC will provide the necessary adaptations to prepare the Union for enlargement if it can be concluded as planned at the European Council in Nice. The informal European Council in Biarritz was a significant step forward. Progress was made in several areas, such as enhanced cooperation, qualified majority decisions and the development of a procedure for the application of Article 7 of the EU-Treaty. The discussion about the size of the Commission and the number of votes in the Council was controversial but also very important.¹¹⁸

The Green Party thinks that the main problem is not the inefficiency of the EU institutions but their "lack of responsibility and the democratic deficit which leads to its lack of political credibility and legitimacy".¹¹⁹ The current IGC is not an adequate framework of these kind of reforms. The necessary reform process in the above mentioned areas has therefore to continue parallel to the accession process.

The IGC and especially its relation to the pace and terms of enlargement did not play any significant role in the public debate this year. EU related discussions were completely domi-

nated by the question of the so-called "sanctions" of the 14 member state's governments in reaction to the participation of the Freedom Party in the new coalition government. As far as the IGC is a topic of public debate it is not primarily perceived as a necessary precondition of enlargement but rather as a "threat" to national interests that have to be defended. This concerns the size of the Commission (Austria wants to keep its Commissioner under any circumstances) and the issue of the extension of qualified majority voting. Austria will not accept majority voting in several sensitive areas such as water resources, regional planning, land use and choice of energy sources.

There are several issues on the table that are not topics of the current IGC. These include the future development of the charta of fundamental rights, the statute of European parties and the legal personality of the EU. The European Council in Nice should decide on a framework and a time-table on how to proceed with these topics and how to include the applicant countries in these discussions.¹²⁰

A European constitution in the sense of a foundation of a European federal state seems highly unlikely at this time and will not become more likely with enlargement. However, there are several topics in the context of the discussions about a European constitution which should be tackled in the foreseeable future. The first one is the simplification of the Treaties in order to make them more transparent and easier to read and understand. The study of the European Institute in Florence provides a good starting point. The second issue is that of a clear separation of competencies between the national and the supranational levels. The third and most distant one is a discussion about the strengthening of supranational elements in the Union.¹²¹

¹¹⁸ Interview with an official of the Ministry for Foreign Affairs.

¹¹⁹ Discussion paper of the Green party; 05/09/2000.

¹²⁰ Interview with an official of the Ministry for Foreign Affairs.

¹²¹ Interview with an official of the Ministry for Foreign Affairs.

Belgium

Government

Institutional reforms are a necessary precondition for enlargement¹²². The reforms, which have to safeguard the democratic powers, unity and transparency of the Union, must be institutionalised before the new candidate countries can enter into the Union. As the government states, enlargement is a unique chance to stabilise the continent. Therefore, the Benelux countries believe that the IGC must be finished successfully in Nice in order to make progress on accession negotiations, according to the conclusions of the European Council of Helsinki. In a reaction after the negative referendum in Denmark, Minister of Foreign Affairs Louis Michel stressed the fact that the EU should deepen its structure before enlarging as the Union is facing basic political problems rather than economic¹²³. Furthermore, the government pleads for an intensification of the accession negotiations so that the first countries will be able to enter as soon as possible.

Still we can question the reliability of this official standpoint. In an interview with a highly positioned member of the Socialist Party in April 2000, we heard a more critical sound. The enthusiasm for the enlargement was rather limited. The comments given by this person were in se similar to the official standpoint as the basic line of 'first deepening before enlarging' came back in his arguments, but still he remarked that the broadening of the European Union should not be pushed through too quickly. In his arguments, a clear hesitation towards the enlargement-project could be spotted, and this evidently puts the official standpoint of the government in question. However it might be difficult to get this information confirmed.

Opposition

The biggest parties in Belgian federal opposition are the Christian Democratic Parties (CVP-PSC). The standpoints of these parties

do not show many differences with the policy line taken by the government. Here as well we see the tendency to deepen the structures of the European Union before enlarging the Union.

Public opinion/academia

More critical notes are found in the numerous newspaper articles that were published lately about the ongoing IGC. Critical journalists see a division among the member states and their attitude towards enlargement depending on the countries' general attitude towards the European Union. "An interesting remark is that the supporters of a quick enlargement – basically the UK and the scandinavic countries-, are the least willing to reinforce the institutions thoroughly. And the supporters of a more political Europe only want the enlargement when the institutions will be strong enough to carry the Union",¹²⁴.

In the public opinion, one might argue that the support for the enlargement is rather limited, as basically the stress is put on the costs of the enlargement. As 'Europe' is thought to be 'invisible' in the daily life of Belgian citizens (many Belgians do not know what Europe exactly is doing or why Europe is existing anyhow), they question the need for enlargement¹²⁵.

Proposals for a new IGC

The Prime Minister realises in his Speech of September 21st, 2000 that further steps will have to be taken concerning the functioning of the European Union after the conclusion of the ongoing IGC: "I think that we will have to discuss about the final goal of our common enterprise which is the European Union, and this after Nice and before the enlargement"¹²⁶. He clearly does not support the idea of new amendments to the Treaty right after the conclusion of the Nice Summit as this evidently might undermine the dynamics of the ongoing IGC. He hopes to prevent new 'leftovers' to come into existence. Still the government will encourage a 'Declaration about the political future of the European Union' by the end of

¹²² Benelux-memorandum about the IGC and the future of the European Union, The Hague, 29 September 2000.

¹²³ Louis Michel in a radio-interview, VRT Radio 1 ('Voor de dag'), 29/09/2000.

¹²⁴ Bernard Bulcke, De Standaard, 13.10.2000; own translation.

¹²⁵ Information gathered by interviews.

¹²⁶ Own translation.

2001 under the Belgian Presidency. This 'Declaration of Laken' might be considered to become the starting point for a new debate about the finalities of the European Integration and the way in which the enlarged Union should develop. That declaration may finally lead to a new IGC, but the Belgian government stresses that it is not favourable to set any concrete date-proposals for a new IGC before the ongoing IGC is concluded.

Attitude towards the need to draw up a European constitution

As to the Prime Minister, transparency and efficiency are *conditio sine qua non* for a democratic and legitimate European Union. In order to defend the basic democratic values of the EU, he considers the recently written European Charter of Fundamental Rights as an important first step. The Belgian government is in favour of a legally binding adoption of the text into the Treaty frame at the appropriate moment. In his speech of September 21st, the Prime Minister goes one step further and states that there is a need for the "rewriting and simplification of those treaties, and all that as a first step towards a real constitution of the Union"¹²⁷.

Denmark

Government

According to the Danish Government it is vital that the IGC is concluded in Nice and that the new Treaty gears the EU's institutions for enlargement. The Treaty of Nice should be the last one which deals with institutional preparations for enlargement, i.e. there should be no enlargement left overs from Nice.¹²⁸

Opposition

The opposition remains heavily divided on this issue, which is partly due to the referendum

campaign on the euro. In this campaign, several parties turned vehemently against the increased use of qualified majority voting.

The major opposition party - The Liberal Party - supports the government's policy on Nice and explicitly acknowledges that enlargement requires further deepening. Conversely, the right-wing, EU-sceptical opposition party - The Danish Peoples Party (DPP) - has called for a change in the Government's mandate after the Euro-referendum. To quote party leader Pia Kjørsgaard "*I am astonished to realise that the government intends to proceed with the negotiations in Nice without being willing to change a single comma....I had a justified expectation that the government would take the majority of the people seriously; finally understanding that the Danish people does not want a continuation of the present European policy*".¹²⁹ Irrespective of the consequences for enlargement, the DPP is opposed to any Treaty involving more qualified majority voting, since by implication this means that a Danish political position, agreed in parliament, can be voted down by a majority of other member states.

The Socialist Peoples Party (SSP) - which in domestic politics serves as the parliamentary base of the government, but voted against the euro is somewhat more divided on the IGC. The problem arises because the party, though sceptical of further integration, is in favour of enlargement "*The most important challenge for the EU is to safeguard the enlargement in relation to Eastern Europe*".¹³⁰ On the one hand the party has argued that a further deepening of the integration process works contrary to the interest of the applicant states. On the other hand the party leadership is realising that the Nice-agenda implies a deepening exactly in order to achieve enlargement. "*A successful conclusion of the Nice-negotiations must be considered a precondition for an enlargement with the East and Central European countries without any delay*"¹³¹. Obviously this puts the party in a dilemma since a majority of the other member states insist on institutional reform and deepening before any widening. Should the party try to tie the hand of the Dan-

¹²⁷ Own translation. Guy Verhofstadt, Speech for the European Policy Center – A Vision on Europe, Brussels, 21.09.2000.

¹²⁸ Interviews in the Danish MFA; October 2000.

¹²⁹ Press statement 3/10-2000, <http://www.dansk-folkparti.dk>.

¹³⁰ Press statement 4/10-2000, <http://www.sf.dk>.

¹³¹ Press statement 4/10-2000, <http://www.sf.dk>.

ish government, oppose further integration in Nice and thereby risk the schedule for enlargement *or* should it support the Nice-agenda and thereby accept elements of deepening and institutional reform? For the time being the party leadership has adopted a wait-and-see approach.

Another interesting feature of the SPP in relation to enlargement is its view on flexibility. For the last many years, the party has supported a 'Europe of several rooms'. According to the SPP, flexibility is a necessary precondition for a future EU which "*mirrors the different wishes and needs in the various member states*"¹³². This is particularly relevant in an enlarged EU and of specific relevance to Denmark with its reservations on core EU-areas (EMU, JHA, Defence and Union Citizenship). In that way flexibility is considered a constructive approach, even for a reluctant EU-member such as Denmark. To be sure, the core argument for flexibility is however Central and Eastern Europe: By opening the door to special kinds of membership, accession could take place far earlier!

Public opinion/academia

The forthcoming EU-treaty played quite a substantial role in the Danish euro-referendum. In the polarised debate, Nice was however not pictured as an 'enlargement treaty' but rather as a harmonisation treaty. Through the campaign the no-side managed to convey the impression that the Treaty (with its possibly extensions of QMV to social affairs and taxes) would lead to harmonisation of social affairs. Especially the debate on QMV resulted in numerous articles and letters to the editor arguing that QMV could undermine the Danish welfare system.

After the referendum the Government will obviously try to refocus the debate on enlargement. Immediately after the referendum it thus labelled Nice an 'enlargement Treaty'. That the Danish public supports enlargement was confirmed in the latest Eurobarometer poll (spring 2000). 57% of the Danish population – the highest in the EU – stress that enlargement is a priority for the EU.¹³³

¹³² Press statement 4/10-2000, <http://www.sf.dk>.

¹³³ Eurobarometer 53 (spring 2000), 24 July 2000.

Proposals for a new IGC

For the Danish government it is very important that the new IGC does not develop into a new precondition for enlargement. Applicants which have concluded their accession negotiations should be granted the right of full participation, whereas countries which are still negotiating should be invited as observers.¹³⁴

Attitude towards the need to draw up a European constitution

Any discussions of a possible constitution should be tackled in a post-Nice context. The Danish Government does not really see the need for such a constitution, but acknowledges that the debate has recently picked up speed.

After the defeat of the Yes-side in the Euro-referendum, the major opposition party - the liberals - has supported the original German idea of a *Kompetenz-catalogue*.¹³⁵ The idea is to go beyond the general debate on more or less integration and analyse the specific policy areas and competences in order to reach a broader and more qualified agreement on the 'national interests' of Denmark as regards its vision for European integration.

Finland

The government argues that one should achieve the institutional reforms necessary for enlargement in the ongoing IGC. The most important single question here is that of increasing the use of majority voting. The IGC should be finished by the end of the year 2000 in order not to retard the process of enlargement. Regarding further questions about the Union's future, such as simplification of the treaties or division of competencies, it is not excluded that they could be discussed after the IGC, but they should be treated separately. Finland has no position on the question of drawing up a European constitution.

When the agenda of the ongoing IGC was discussed during the Finnish presidency, Finland

¹³⁴ Interviews in the Danish MFA, October 2000.

¹³⁵ The Danish Daily Aktuelt "Venstre tagewr EU-debatten forfra", 9/10-2000.

underlined the need to give a clear signal to the candidates that the Union is committed to enlargement. This was to be done through “putting our own house in order”. Prime Minister Paavo Lipponen interpreted the member countries to wish to stick to the set timetable of ending the IGC negotiations in the latter half of the year 2000, without broadening the agenda, which could mean retarding the enlargement. Thus, Finland wanted the IGC agenda to be kept “realistic”, concentrating on the three “left-overs” of Amsterdam. At the same time, the Prime Minister said that enlargement must not weaken decision-making and the Union’s capacity for action.¹³⁶ Yet, the Helsinki Presidency Conclusions were a compromise towards those that wanted to enlarge the agenda as they stated that “the incoming presidency may propose additional issues to be taken on the agenda”.

France

Government

For the French government, a successful outcome of the current Intergovernmental Conference (IGC) shall be determining for the enlargement of the Union. Probably to avoid to appear reluctant to enlargement, the reasoning is now often presented the other way round : before the Members of the European Parliament, Mr Pierre Moscovici referred to enlargement as “the backdrop” of the whole activity of the European Union, which “determines all our work, starting obviously with institutional reform”¹³⁷. However this may be, the French position remains unchanged. Fol-

lowing the Biarritz informal European Council, Prime minister Lionel Jospin explained : “we have been trying to say the following thing : we need a substantial institutional reform to move on to the period ahead, that of enlargement of course”¹³⁸. In this respect, France has been keeping a steady course : for years it has been repeating that enlargement should not “water down” the European Union and that a lasting and ambitious construction of Europe required that even with 20 or 25 members joint decisions should be reached. This implies that, as a preliminary, the institutions which were originally designed for six countries and that already do not work well with 15 member States should be reformed.

The fact that France holds the presidency of the Union while the IGC is in process further strengthens its determination : the conclusion of an agreement in the Nice European Council would not only meet its concerns regarding enlargement but also answer its wish that the French presidency should be a success. This being said, as French officials have said repeatedly, the latter should not prevail over the former. Mr Hubert Védrine, for instance, explicitly said so during the annual ambassadors conference in Paris : “a recognition of a failure would be better than a cut-price agreement”¹³⁹. The comment is no doubt aimed at discouraging those who might anticipate on the French determination to secure an agreement at all costs. It is nevertheless somewhat ambiguous. What a “bad” agreement might be, or what

¹³⁶ “Rethinking Europe for the New Millennium: A New Institutional Framework for an Enlarged Union”. Speech of the Prime Minister, Mr Paavo Lipponen, at the EIPA Colloquium in Maastricht on 5 November 1999, <http://www.vn.fi/vnk/english/>.

¹³⁷ Débat sur l’élargissement de l’Union européenne. Intervention, au nom de la présidence du Conseil de l’Union européenne, du ministre délégué chargé des affaires européennes, M. Pierre MOSCOVICI (Statement for the presidency of the European Union Council by the deputy minister for European affairs, Mr Pierre MOSCOVICI), op. cit.

¹³⁸ Conseil européen informel. Conférence de presse conjointe du président de la république, M. Jacques Chirac, du premier ministre, M. Lionel Jospin, et du président de la Commission européenne, M. Romano Prodi (Joint press conference of the President of the Republic, Mr Jacques Chirac, the Prime Minister, Mr Lionel Jospin, and the president of the European Commission, Mr Romano Prodi), Biarritz, 14 October 2000 (<http://www.diplomatie.fr/BASIS/epic>).

¹³⁹ Extraits de l’intervention du ministre des Affaires étrangères, M. Hubert VEDRINE, lors de la séance d’ouverture de la conférence des ambassadeurs de France (Abstracts from the statement by the foreign affairs minister, Mr Hubert VEDRINE, during the opening session of the “Conférence des ambassadeurs de France”), Paris, 29 August 2000 (available in French and in English on the site of the French presidency : <http://www.presidence-europe.fr>).

France would do in the event it turns out impossible to reach a “good” agreement is not actually specified.

In any event, there is no longer any mention of a new IGC. When advocating that the IGC agenda should be restricted to the leftovers of Amsterdam, some French officials explained that this IGC would not be the last one and that the institutional reform was, as often in the context of the European Union, a “step by step” process. For some time now, such comments have not been heard. Quite obviously, French leaders do not want that such arguments might serve to further delay the reforms that were already postponed in Amsterdam and that they consider indispensable before some of the accession negotiations are completed.

Similarly, while the president of the Republic advocated the idea of a European constitution before the Bundestag last June, there is no longer any mention of it. When he presented the priorities of the French presidency to the European Parliament one month later, Mr Jacques Chirac himself explained that his comments extended “beyond the limits of the French presidency”. He more specifically added that “all further progress of the European Union is conditional upon the success of the institutional reform. If the IGC were not successful, then it would be pointless to consider the next stages”. In the second half of the year 2000, French leaders clearly give priority to the success of the IGC, not to thinking out the future. The way they insist that closer cooperation should be made more flexible may however indicate that discussion on a more closely integrated group of countries – “pioneer group” or “vanguard”, whatever it is called – may come up again next year when the French presidency is over.

Political parties

The current “line” of the government and of the president is more or less shared by French political parties. On the one hand, as we have seen in previous issues of *Enlargement/Agenda 2000 Watch*, the whole French political community shares the concern of the government that enlargement should be preceded by institutional reform. Witnesses the law enabling ratification of the Treaty of Amsterdam, adopted by the Assemblée nationale and the

Sénat : it calls for “substantial progress” towards institutional reform “prior to the completion of the first accession negotiations”¹⁴⁰. It is also significant that a symposium on the “priorities of the French presidency of the European Union”, held in the Assemblée nationale in March 2000, should have been organised around two topics: institutional reform; CFSP and European defence¹⁴¹. On the other hand, some parties nevertheless continue to think about the future of the European Union, about the “post-Nice” period. It is true that Mr Alain Juppé and Mr Jacques Toubon, both members of the RPR, who presented last June a project with regard to a European constitution, became more silent¹⁴². But, the UDF appears less constrained by the line of the French presidency and it keeps calling for the drafting of a European constitution¹⁴³. Its relative freedom is probably due to the fact that the centre-right party, the UDF, is currently in the government opposition without being the president’s party as is the case for the RPR. In addition, this party is at present very close to the European Parliament, traditionally in the forefront on the constitution issue. The president of the European Parliament, Mrs Nicole Fontaine, is a member of the UDF ; after the European elections, the president of the UDF, Mr François Bayrou, finally resigned as a member of the national parliament and preferred to sit in the European Parliament. It was actually with another MEP, ecologist Daniel Cohn Bendit, that he launched his plea for a European constitution¹⁴⁴.

¹⁴⁰ Loi n° 99-229 of March 1999, *Journal officiel* n° 71, 25 March 1999, p. 4463.

¹⁴¹ Assemblée nationale. Délégation pour l’Union européenne. Forum sur les priorités de la présidence française de l’Union européenne (Forum on the priorities of the French presidency of the European Union), 28 March 2000. *Les documents d’information de l’Assemblée nationale*, 25/2000. The proceedings are also available online on the site of the Assemblée nationale: <http://www.assemblée-nationale.fr>.

¹⁴² Europe: le projet de Constitution Juppé-Toubon. *Le Figaro*, 16 juin 2000.

¹⁴³ Cf. UDF European magazine on <http://www.europa.udf.org>.

¹⁴⁴ François Bayrou et Daniel Cohn-Bendit réclament ensemble une Constitution européenne. *Le Monde*, 14 June 2000.

In the government majority, the green party is equally in favour of the idea of a European constitution. The socialist party, however, does not go quite as far on the issue. There may be several reasons for this. First, as we have indicated, the socialist government has decided to focus on the success of the ongoing IGC. The fact that socialist Jacques Delors, former president of the European Commission who is an authority on European issues, took a stand against the project may also have counted. Last, we should add that the government seemed somewhat "taken by surprise" by the comments of the president last June and subsequently more inclined to criticize them than to take them up¹⁴⁵. Since then, Mr Védrine and Mr Mocovici have appeared more open to the idea of a European constitution, while considering it for times ahead.

Public opinion/academia

As for public opinion, the latest Eurobarometer surveys seem to indicate that the French are favourable to a European constitution : 75% of people interviewed in France consider "that the European Union should have a constitution, in other words a fundamental text integrating the various treaties"¹⁴⁶. Admittedly, the word "constitution" conveys more meaning than the "intergovernmental conference" whose objectives remain largely unknown by the French. Still, the wording of the question put by Eurobarometer shows that the idea of a European constitution has to be better specified.

This is the prevailing view in academic circles. In his speech in Berlin, the president of the Republic mentioned the adoption of the "first European constitution" but he left unanswered many questions relating to its usefulness, its drafting process, its content or its consequences. Some experts have begun working on it. In such circles, this theme should probably take more importance in the future¹⁴⁷.

¹⁴⁵ *Le Monde*, 5 July 2000.

¹⁴⁶ *Eurobarometer* 53, op.cit., table 8.

¹⁴⁷ A book is going to be published at the 'Presses de Sciences Po' on the subject.

Germany

Government

The government worked towards a narrowly defined agenda for the IGC that must be finished in Nice. Any delay in the enlargement process ensuing from the EU's internal adaptation problems should be avoided. The government fully and demonstratively supports the French presidency in completing the IGC in time.

Beyond the leftovers of Amsterdam the government supported the inclusion of "enhanced co-operation" as an item of the IGC's agenda. Moreover, arrangements for a workable flexibility inside a larger EU have become a priority interest. Together with the Italian government, Germany advanced a concrete proposal.¹⁴⁸,

In addition the government has taken the initiative to look beyond Nice and started a discussion on the finalité and the constitution of Europe. It has already proposed some items for the next IGC emphasising that this should in no way mean new hurdles for candidate countries. Items are: clarification and division of tasks and competencies at the European level, incorporating the charter on fundamental rights into the treaties, division of power between the institutions of the Union, elaboration of a constitution. Chancellor Schröder proposed 2004 as the start of a new IGC with a broadly defined agenda.¹⁴⁹

Opposition

Having in mind the core-Europe paper of Schäuble/Lamers of 1994, the opposition supports ideas on building a vanguard, in particular in the fields of CFSP. CDU/CSU push for a clarification of competencies between the EU, the national and the regional levels. The two parties opt for a catalogue of competencies that is based on the principle of subsidiarity, thus with a preference for taking actions below the

¹⁴⁸ Text of the German and Italian Proposal on provisions to include in the Treaty of Nice regarding "enhanced cooperation", Europe Documents, No. 2215, 16 October 2000.

¹⁴⁹ Cf. Speech of Chancellor Schröder at the Conference of chiefs of German embassies, 4 September 2000.

EU level. Bavarian Prime Minister Stoiber warns of a European super state that would further limit the powers of the national and in particular the regional levels.¹⁵⁰

They propose that the "competence-competence" shall rest with the nation states i.e. the member states also in the future and name as core tasks of the EU: Internal market, stability of the Euro-currency, Foreign security and defence policy, asylum and refugee policy, combat of organised crime, environment and a collective approach in questions of the global economy. From their point of view the ongoing IGC shall agree on the direction and time table for far reaching reforms. Moreover, they argue that a constitutional treaty is necessary, including the Charter on fundamental rights and a reorganisation of tasks and competencies as well as the balance of power between the institutions. Work on these issues shall start immediately after the completion of the current IGC. CDU/CSU think that 2004 is far too late. The European Parliament and the national parliaments shall be adequately involved from the start.¹⁵¹

The Länder

The Länder state that enlargement and reform of the EU are inseparably linked together. They particularly insist on a clear division of competencies between the levels of decision-making. They seem more restrictive than the Federal Government on the extension of qualified majority voting and threaten the government not to ratify the treaties if the national arrangements for the so called "Daseinsvorsorge" (public services) are not sustained.¹⁵²

Public opinion/academia

Mr. Fischer's Berlin speech kicked off a wider debate in the media and academia on the fur-

ther direction of European integration.¹⁵³ The label "federation" was positively received because it avoids the notion "Bundesstaat" but indicates the ambition for further integration and a mix of supranational and intergovernmental policy making.

The academic community is split on whether flexibility or modifications of the enhanced cooperation will be the key to managing diversity in the enlarged EU.¹⁵⁴ Whereas some see the enlarged EU still working along the basic dynamics and trends of the integration process¹⁵⁵, others identify the erosion of political identity for the sake of a new rationale for the EU as a projector and generator of stability¹⁵⁶.

Greece

Both Government and the Opposition are viewing the IGC process with rather formalistic interest: lip-service is paid to the necessity of technical ("post-Amsterdam") adaptations so as to make the EU institutions adequate to a Europe of more than twenty, along with rather unfocused discussion of the institutional fu-

¹⁵⁰ Cf. Speech of Prime Minister of Bavaria, Edmund Stoiber, on "Reforms for the Future of Europe", Berlin, 27 September 2000..

¹⁵¹ Cf. Europa 2010. Gemeinsame Thesen von CDU und CSU zur künftigen Architektur Europas, Munich, Berlin, 18 September 2000.

¹⁵² Cf. for a critical assessment Klaus Otto Nass, Wer mit dem Zaunpfahl winkt. Die deutschen Länder in der Europäischen Union, Frankfurter Allgemeine Zeitung, 24 June 2000.

¹⁵³ Cf. Joschka Fischer, Vom Staatenbund zur Föderation – Gedanken über die Finalität der europäischen Integration, *integration*, 3 (2000), pp. 149-156; Peter-Christian Müller-Graf, Europäische Föderation als Revolutionskonzept im europäischen Verfassungsraum?, *integration*, 3 (2000), pp. 157-170; Heinrich Schneider, Alternativen der Verfassungsfinalität: Föderation, Konföderation – oder was sonst?, *integration*, 3 (2000), pp. 171-184. Cf. also the contributions by Georg Vobruba, Herbert Schui, Friedbert Pflüger and Christian Sterzing in *Blätter für deutsche und internationale Politik*, 8 (2000), pp. 943-965.

¹⁵⁴ Cf. Michael Stabenow, Nizza wird nur eine weitere Zwischenstation für Europa sein, *Frankfurter Allgemeine Zeitung*, 17 January 2000; Herbert Kremp, Widersprüchliche Gefühle angesichts der Europäischen Union, *DIE WELT*, 25 January 2000.

¹⁵⁵ Cf. Tanja Börzel, Thomas Risse, Europas unbemerkte Entwicklung zur Föderation, *Financial Times Deutschland*, 18 October 2000.

¹⁵⁶ Cf. Werner Weidenfeld, Erweiterung ohne Ende? Europa als Stabilitätsraum strukturiieren, *Internationale Politik*, 8 (2000), pp. 1-10, here p. 6.

ture of a federal or quasi-federal Europe (that is increasingly accepted as the shape of things to come).

Academic discussion and treatment of the issue at the Press are not really more elaborate. At times, it would seem that a complete institutional overhaul of the EU is expected at Nice; it is only quite recently that the potential “failure of Nice” to give real solutions has brought to the fore the perspective of a further IGC. Moreover, the Charter of Fundamental Rights elaborated by the Convention is partly confused by public opinion with the IGC process.

There exists at present public support to the perspective of a European Constitution, insofar the notion of a quasi-federal Europe has been gaining ground. The fact that both D. Tsatsos (one of the two E.P. representatives to the IGC process) and G. Dimitrakopoulos (one of the two E.P. rapporteurs on IGC) have been voicing in public their support to Constitution-forming has given some further visibility to this concept.

Ireland

There is a general acceptance that a successful outcome is a pre-condition for enlargement. Failure at Nice, or an inadequate outcome, would raise the danger of delays. These views are also those of opposition parties. To the (limited) extent there has been public discussion, there is also agreement on the need for a successful outcome.

The Institute of European Affairs is due to publish a report on the current IGC in early November. Otherwise, there has been a limited debate on the specific relationship between enlargement and the IGC in the media which was stimulated by a speech given on 18 September, by Sile de Valera, Minister for Arts, Culture and the Gaeltacht, who called for greater debate on Ireland’s place in the EU.

With regard to the Post Nice agenda, proposals for a new IGC are not under discussion, but there is a keen awareness of ideas floated elsewhere, in particular, in the speeches of German Foreign Minister Fischer and President Chirac earlier this year.

Italy

Government

The official Italian position is based on the idea that the first necessary condition to make the enlargement process entirely successful is the introduction of the proper institutional reforms in order to strengthen the Union and give it a new decision-making structure. Only stronger and more flexible institutions, in fact, can allow the management and functioning of an enlarged European Union¹⁵⁷, that will inevitably be quite dishomogeneous. This intrinsic link has led Italy to support, from the beginnings of IGC work, the passage of an enlarged agenda for a substantive reform package. So, in the Italian view, the enlargement process and the IGC are closely connected since enlarging the European Union means not only extending its geographical borders, but also planning an efficient institutional system, ready and able to settle and balance the diversities.¹⁵⁸ In addition, there is the cultural aspect of the process, and the aim to spread throughout Central and Eastern Europe the political and civil values constituting the core of European citizenship.

Opposition

The themes of not-deferring reforms are shared completely by majority and opposition parties: they both define them as an absolute priority for European Union current internal debate, and the basis for and road towards admission of new members.¹⁵⁹ In fact, the fascinating challenge of enlargement is seen in Italy as a peculiar mix: to go on widening the European

¹⁵⁷ See the Statement by Lamberto Dini at a joint meeting of Foreign Affairs Committee – Chamber of Deputies- and European Affairs committee – Senate-, 10 February 2000.

¹⁵⁸ See the Statement by Lamberto Dini at a public meeting on “The evolution of European Union”, 6 April 2000; Lamberto Dini, “Il prossimo obiettivo l’Europa dei cittadini”, *La Repubblica*, 11 July 2000.

¹⁵⁹ “Institutional reforms are so important that low-profile measures approved by IGC at Nice summit could even menace the non-ratification of the Treaty”, Chamber of Deputies, Foreign Affairs Committee Debates, 9 February 2000 and 4 July 2000.

Union on the basis of common rules and obligations without paralysing the decision-making and institutional mechanisms.

Italy has played a very active role during the proceedings of the intergovernmental conference, presenting important proposals on different points of the agenda¹⁶⁰, and trying to reach the widest agreement on them among members. In particular, Italian attempts have aimed at stressing efficiency and the structural and procedural changes to be introduced to increase it.

As said before, Italian political parties are generally pro-European and no important controversies over the enlargement process and the related institutional reforms have taken place on the internal political scene: the most representative political forces, belonging to the majority and opposition, have answered the government's appeal to preserve the unity of Italian foreign policy in the field of European integration.¹⁶¹ But while neither the majority nor the opposition has ever questioned fundamental European choices, some differences did arise on the approval of the Charter of Fundamental Rights. After a parliamentary debate, in fact, the Lega Nord, the most extreme force of the opposition alliance, and Rifondazione Comunista voted against approval of the European Charter. Nevertheless, on the eve of Nice summit, the main parties of the opposition coalition offered to support the government with a "bipartisan agreement"¹⁶², and affirmed that they will do their best to come to an agreement with the Lega Nord as well. In order to go to Nice with a strong Italian common position on institutional reforms, opposition leaders announced that next month, during the traditional parliamentary debate preceding European

Councils, they will promote an agreement backed by both sides. This joint document will sanction the convergent vision on general principles, recognised by all political parties. In this "bipartisan" resolution they will commit themselves to support of the proposals that will be presented by the Italian government at the Nice European Council, in particular to shift away from the intergovernmental method and to move more quickly towards greater integration through "enhanced cooperation".¹⁶³

Attitude towards the need to draw up a European constitution

Italy is also deeply integrated in the European constitutional project, thanks to its ambitious vision of Europe, including not only enlargement and reforms, but also the constitutional idea. There is the complete agreement with Germany on this subject: the final aim declared by these two founding members is to turn the European Charter of Fundamental Rights, approved at the Biarritz summit, into the core of a European Constitution. This Charter would become one of the three future constitutional pillars, together with total rearrangement of those parts of the treaties dedicated to institutions and procedures, and a new distribution of competences.¹⁶⁴ The President of the Italian Republic, Carlo Azeglio Ciampi, has often intervened on this item, expressing the hope that the contents of this document, which will be "... fundamental for the future of Europe, will soon spread throughout old and new Union member states, to allow all European citizens recognize themselves in their European identity".¹⁶⁵ Moreover, he has promoted the above mentioned "bipartisan agreement" and the inclusion of the Charter's issues. Therefore, according to the official Italian position, the European Charter of Fundamental Rights must not remain a solemn political declaration: it must be included in the treaty as a "common

¹⁶⁰ See for example the joined Italian-German proposal on "enhanced cooperation", or the Italian proposal on re-weighting of the votes within the Council, both of them assumed as negotiations base.

¹⁶¹ Roberto Zucconi, "Dini: niente veleni in politica estera", *Il Corriere della Sera*, 26 July 2000; "Ciampi: sull'integrazione europea in Italia serve un'intesa <bipartisan>", *Il Sole 24 Ore*, 14 October 2000.

¹⁶² Gerardo Pelosi, "I veri europeisti siamo noi", *Il Sole 24 Ore*, 15 October 2000; Stefano Folli, "Berlusconi, tre temi in agenda ma l'Europa resta centrale", *Il Corriere della Sera*, 25 October 2000.

¹⁶³ Gerardo Pelosi, "Consensi tra i partiti italiani: sull'Europa non siamo divisi", *Il Sole 24 Ore*, 5 October 2000.

¹⁶⁴ Interview with Giuliano Amato, Italian Premier, by Andrea Bonanni, *Il Corriere della Sera*, 16 October 2000.

¹⁶⁵ Adriana Cerretelli, "Ciampi: rilanciare la UE", *Il Sole 24 Ore*, 5 October 2000; "Ciampi: serve unità per la carta dei diritti", *Il Corriere della Sera*, 14 October 2000.

denominator of European values”¹⁶⁶, even if some Italian deputies are still asking for a few changes. This process could start during the European Council of Nice, where the Charter is to be officially adopted: Italy, in fact, assured its support for the German idea to announce the beginning of a real European constitutional process, convening a “Grosse Konferenz” to be held within the next four years.

Netherlands

Government

In the "state of the European Union-report" the Dutch government makes a distinction between short-term and long-term reforms of the European Union.¹⁶⁷ The present IGC should complete all short-term institutional reforms that are necessary for the enlargement of the European Union. The Nice summit should thus pave the way for the enlargement and not, like the Amsterdam summit, produce a list of leftovers for institutional reform. This position is also laid down in a recent memorandum of the three Benelux-countries.¹⁶⁸ The short-term reforms which, according to the Dutch government, should be solved in Nice are the following:

- a substantial extension of qualified majority voting,
- a lower threshold for flexible integration,
- a re-weighting of votes in the Council on the basis of demographic size,
- reform of the European Court of Justice,
- more co-decision powers for the European Parliament,
- a stronger European Commission, with individual responsibility for Commissioners,

- inclusion of the Common Security and Defence Policy in the Treaty.

The Advisory Council on International Affairs, an advisory body of the government, also stresses the importance of a successful completion of the present IGC. The Advisory Council notes in a report of January 2000 that the extrapolation method for enlargement that was used in the past is not sufficient anymore and that the coming enlargement can not be realised without radical changes in the institutional structure of the European Union.¹⁶⁹

The long-term reforms are not directly related to the enlargement. The Dutch government holds the opinion that if a new IGC about these reforms will take place, the new member states must be involved in the negotiations. The government has made far-going suggestions about the future structure of the European Union in its "state of the European Union"-report. These suggestions include a two-chamber system for the European Parliament with a European senate composed by representatives from the member states, a corrective European referendum and the direct election of the Commission President. The government presents these ideas very carefully. The report notes that the ideas are no concrete policy proposals, but "*function as an invitation for a further national and European debate*".¹⁷⁰ Also in the media, which paid relatively much attention to the subject, Foreign Minister Van Aartsen and State Secretary Benschop emphasised that these were only proposals for further discussion and that the plans will first be presented to the parliament and then to the governments of Belgium and Luxembourg.¹⁷¹ The Benelux memorandum

¹⁶⁶ Antonio Polito, "Politica bipartisan e Carta dei Diritti", *La Repubblica*, 13 October 2000.

¹⁶⁷ *Staat van de Europese Unie*.

¹⁶⁸ *Benelux Memorandum over de IGC en de verdere toekomst van de Europese Unie*, Ministry of Foreign Affairs, 29 September 2000.

¹⁶⁹ *De IGC 2000 en daarna - op weg naar een Europese Unie van dertig lidstaten*, The Hague: Advisory Council on International Affairs, Report nr. 12, January 2000, p. 11.

¹⁷⁰ *De staat van de Europese Unie - De Europese agenda 2000-2001 vanuit Nederlands perspectief*, (The state of the European Union) published on the internet-site of the Dutch Ministry of Foreign Affairs: <http://www.minbz.nl>, p. 16.

¹⁷¹ "Machtsevenwicht in een democratische Europa" (Balance of Power in a more democratic Europe) and "Kabinet-Kok voorstander Europees referendum" (Kok-cabinet in favour of European referendum), in: *De Volkskrant*, 20 September 2000. "Ook een Europese Eerste Kamer" (Also a European First Chamber), in: *Trouw*, 20 September 2000.

proposes that the European Council agrees on a declaration about the political future of the European Union next year. The final declaration can in that case be completed after the ratification of Nice.

Opposition

The largest opposition party in parliament, the Christian Democratic CDA, has also proposed to create a European senate, but the party is against a European referendum. A European senate, in which each of the member states is equally represented with members of their national parliaments, should according to the CDA guarantee the democratic character of the decisions in an enlarged EU.¹⁷²

Public opinion/academia

The proposals for the future structure of the EU in the "State of the European Union-report" were in fact the first response of the Dutch government to the speech of German Foreign Minister Fischer at the Humboldt University at 12 May 2000.¹⁷³ The commentaries in the newspapers criticised the restrictive character of the government's proposals. It was noted that the government refused to give a clear position on the final goal of European integration, an objection that has been raised by the opposition parties in parliament as well. One newspaper even wondered whether the traditional Dutch preference for further integration has now been replaced by fear.¹⁷⁴ In order to explain the current caution of the government, several references have been made in the media to the negotiations for the Maastricht treaty, when a proposal of the

treaty, when a proposal of the Dutch presidency for a political union suffered a defeat.¹⁷⁵

Spain

Government

The government considers that the current IGC should limit itself to settle the left-overs of the Amsterdam Treaty. Expanding the issues under discussion, especially if discussions reach "constitutional waters", will only help to slow down enlargement. The position of the Spanish government is to link the extension of qualified majority voting and the renounce to one Commissioner to the re-weighting of the votes in the Council in favour of the large countries and confining provisions on "flexible integration" to issues under Pillar II (foreign and security issues) and III (home and justice matters), never to the single market, regional or agricultural policies, or EMU.¹⁷⁶

Opposition

The opposition largely agrees to the policy of supporting a "minimalist" IGC and also considers the satisfactory closing of the current IGC as a precondition for enlargement. Consensus exists on the need to prevent that the bill of Eastern enlargement is endorsed to the less wealthy EU member states. Divergences between government and opposition are however greater concerning the wider European issues, with the centre-right government placing the emphasis on "market creation", liberalisation, privatisation, and deregulation issues and the centre-left opposition supporting "market correction" issues, fiscal harmonisation, and active employment policies.

Public opinion/academia

There is unanimity in the opinion/academia concerning the need for Spain to revise its

¹⁷² Interview with the leader of the CDA-fraction in parliament, Jaap de Hoop Scheffer, in: *NRC Handelsblad*, 15 September 2000.

¹⁷³ A few days after Fischer's speech, Prime Minister Kok was sharply criticised in parliament for the vague reaction of the government. At that time Kok indeed only briefly commented on Fischer's speech by calling it "valuable," but at the same not enough pragmatic. He warned that the EU cannot afford it to speak too much about its own affairs while the enlargement has to be realised in short time.

¹⁷⁴ *de Volkskrant*, 21 September 2000.

¹⁷⁵ This event, at 30 September 1991, has later become known as "Black Monday" for the Dutch.

¹⁷⁶ Aznar, J.M. Speech to the IFRI. Paris, 26 September 2000. <http://www.lamoncloa.es/interv/presi/p2609000.htm>.

European policy and position to adapt to the post-enlargement scenario.

Proposals for a new IGC

No, the Fischer-Chirac debate on the *finalité politique* of the European integration process has only attracted the attention of specialised media commentators and academics. Public opinion is centred on short-term issues such as the fall of the Euro and the oil-shock and even the main political parties have not yet produced any document positioning themselves for or against these proposals.

Sweden

Government and Opposition

Generally, both government and opposition regard it as essential that the ongoing IGC can be concluded at the Nice summit, and that the resulting Treaty can be ratified as soon as possible. Any other result would seriously damage the process of enlargement.

As a reaction to the suggestion by President Chirac made in June about closer cooperation between a few EU countries, Prime Minister Göran Persson and the rest of the leadership of the governing socialdemocratic party expressed support, at least in principal, for the concept of closer cooperation. This was a clear change of policy, since Sweden has previously been opposed to any softening of the conditions set up in the Treaty of Amsterdam. Mr Persson now expressed the view that such an arrangement could make it possible for the EU to enlarge and deepen at the same time.¹⁷⁷

In the parliamentary EU Committee, Prime Minister Persson said that there might be dangers associated with closer cooperation, but that he is more worried about a situation where the original community members regard the enlargement as a hindrance to closer integration.¹⁷⁸

During a public hearing by several parliamentary committees regarding the ongoing IGC, a

member of the largest opposition party - the liberal conservative "Moderata samlingspartiet" - Lars Tobisson expressed concern that any change of the conditions for closer cooperation could damage the European Union. Other MP:s thought that the new CEEC members might be very disappointed if they discovered that a new "core EU" had been formed at the very moment they became members.

In her response to this, Foreign Minister Anna Lindh pointed out her and the government's view that "if we obstruct closer cooperation, we will also obstruct the enlargement". But she also added that the general principles of the Treaty of Amsterdam regarding closer cooperation, for example that any new arrangement must be open to all EU members at all times, must be upheld.

During this hearing, Ms Lindh also said concerning the number of votes in the Council of Ministers that the (reformed) model to be adopted should be simple and durable, so that the reformed system works no matter how many new members are associated in the future. Not surprisingly, she held out the Swedish "squareroot model" as a perfect solution.

In the Swedish parliament, Anna Lindh commented on a statement by President Chirac in Biarritz. According to international media, the President said that the refusal by countries like Sweden to abstain from their commissioner could endanger the enlargement. According to Ms Lindh, such statements are "pure negotiating tactics", and not to be taken seriously.¹⁷⁹ Among MP:s from "Moderata Samlingspartiet", there are also worries that Sweden's well known pro-enlargement policy will be used as a means for extortion in the negotiations.

According to the daily "Göteborgs-Posten", the Swedish negotiating team is having thoughts (although naturally not expressed publicly) about accepting QMV on environmental taxes, to which the Swedish Government has so far been strictly opposed (as on QMV on any tax-issues). The reason would be this very fear of Sweden - being blamed for obstructing the enlargement.¹⁸⁰

¹⁷⁷ Svenska Dagbladet, 29 June 2000.

¹⁷⁸ Protocol from the EU committee, 15 June 2000

¹⁷⁹ Parliamentary debate, 17 October 2000.

¹⁸⁰ Göteborg-Posten, 13 Oktober 2000.

Public opinion/academia

Some controversy has arisen regarding the scope of the IGC agenda. As early as last February, at the beginning of the IGC, the largest daily - the liberal and rather pro-federalist "Dagens Nyheter" - wrote that the Swedish Government, despite of its pro-enlargement approach, by working for a limitation of the IGC agenda was inhibiting the enlargement process. As a reason for this limitation the Swedish Government has stated the need for the conference to finish on time, that is at the Nice summit. But according to "Dagens Nyheter", lack of time is not really the problem. Instead, it is the government's fear of dealing with the question of a European constitution. As a consequence, there might be need for a second IGC before the enlargement can be carried through.¹⁸¹

When some EU countries wanted to add the subject of closer cooperation to the IGC-agenda (which was to be discussed at the Feira summit), the parliamentary EU Committee expressed concern that such an expansion could delay the IGC timetable. However, they supported the Prime Minister's view to accept such an expansion in order to show an "open mind", but on the condition that this must not lead to any delays.¹⁸²

With reference to the proposed charter on human rights, also the newspaper Svenska Dagbladet was concerned that time (in Nice) will be wasted on things that could be postponed, referring to the proposed charter on human rights. "They will argue about rights that the EU citizens already have."¹⁸³

Attitude towards the need to draw up a European constitution

No concrete suggestions exist at this point regarding a new IGC, although there have been some vague ideas about it. Regarding the need to draw up a European constitution to clarify the competencies of the European institutions, Sweden has so far been less enthusiastic and referred to the existing principle of subsidiarity as sufficient. In any case, the Swedish policy

has been from the start that the present IGC shall resolve all necessary issues for the enlargement. If there will be another IGC, it will not start until a couple of years from now.¹⁸⁴ Foreign Minister Anna Lindh said in a speech in Parliament that it is important that the candidate countries are involved in any discussion about further reforms of the EU, i.e. any post-Nice discussions.¹⁸⁵

United Kingdom

Government

The British government's position on the IGC was set out in a White Paper 'IGC: Reform for Enlargement'¹⁸⁶, published in February 2000. This also set out the government's support for enlargement of the EU. In his foreword Tony Blair placed the IGC in the context of the wider reform agenda- thereby including the Commission reforms being led by Neil Kinnock and adaptation to the challenges of globalisation (the Lisbon Summit agenda). He emphasised that the IGC was important in itself in order to allow enlargement to go ahead smoothly and ensure that the Union works more effectively for the people of Europe.

The need for agreement by the end of 2000 was highlighted, and it was also noted that it was unlikely that the changes made to the EU would be the last. The White Paper stated that 'The Union will continue to develop and we may have to return to some of these issues at a later date'.¹⁸⁷ The over-riding impression was that the changes ducked at Amsterdam needed to be tackled successfully so that the EU at least would be ready for enlargement by the end of 2002.

¹⁸¹ Dagens Nyheter, 15 February 2000.

¹⁸² Press statement and protocol from EU Committee, 15 June 2000.

¹⁸³ Svenska Dagbladet, 27 September 2000.

¹⁸⁴ According to Foreign Ministry officials.

¹⁸⁵ Parliamentary debate on the Biarritz summit, 17 October 2000.

¹⁸⁶ IGC: Reform for Enlargement. The British Approach to the European Union Intergovernmental Conference 2000. February 2000. CM 4595.

¹⁸⁷ Ibid. p.26.

Opposition

The Conservatives, under the leadership of William Hague, have become increasingly anti-European. There are now no pro-Europeans in the shadow cabinet, whilst it is reported that anti-Europeans are winning the majority of selection battles to fight winnable seats at the next general election. The heavyweights of the previous government, such as Ken Clarke and Michael Heseltine, have been marginalised.

The Conservatives' attitude to the EU, and by extension the IGC, is one of hostility; a luxury they can afford in Opposition. They have indicated a desire to renegotiate the Treaty of Rome, and have stated that they would veto the forthcoming Treaty of Nice if a renegotiation was not granted, thereby preventing enlargement. A typical sample of their hostility can be found in the response of the shadow foreign secretary, Francis Maude,¹⁸⁸ to Robin Cook's presentation of the IGC White Paper in the House of Commons. Referring to the government's position on the extension of QMV, Maude stated 'We know what that means. It means, step by step, the creation of the single European super-state. Does not his (Cook's) failure to rule out losing the veto mean that we are discussing not a White Paper, but a white flag?'.¹⁸⁹ Many Conservatives – and others within the opinion forming classes – are unable to speak of Europe without conjuring up the imagery of the battlefield.

The Liberal Democrats remain broadly supportive of the government's stance on Europe, although often reproach it for its timidity in tackling euroscepticism in the media and over the lack of a timetable for joining the euro.

Public opinion/academia

In the course of 2000 following the launch of the government's White Paper, domestic debate has continued to centre on Britain's role in the European Union, potential membership of the Eurozone and cabinet splits. Enough chinks of light have though emerged to shed light on the course of the negotiations.

Despite an apparent early lack of progress on the IGC agenda, especially regarding qualified majority voting, Robin Cook indicated to the House of Commons prior to the Feira European Council that it was important to maintain the momentum of the IGC and keep it on schedule for completion by the end of the year. On the British negotiating stance he went on to say that:

'Our key objective is to get a reweighting of votes in the Council of Ministers to give Britain a bigger vote. We want to keep the fixed ceiling on the European Parliament so that it does not balloon with enlargement.

We want to control the size of the Commission so that it does not become a mass meeting rather than a functioning college.

We will agree to majority voting only where it would remove obstacles to reforms that Britain wants'.¹⁹⁰

Proposals for a new IGC

In a speech on a visit to Hungary in July, Cook again stressed the need for the EU to complete the IGC by December. He also stated 'Nor is the present IGC the last word on the future shape of the EU. But that future shape cannot be a question for only the present member states. We cannot change the rules before you (Hungary) even begin to play the game. The new members of the club must play their part in making the club's rules. The first new members should join us round the table before decisions are taken in another IGC. And work on future IGCs must not delay work on enlargement'.¹⁹¹

The Prime Minister made a statement on the outcome of the informal Biarritz European Council in a House of Commons Written Answer. He acknowledged that political progress had been made towards the agreement to be reached at Nice in December, thereby contributing to facilitating enlargement. He also made clear his support for the extension of qualified majority voting in those areas considered to be in Britain's interest, notably in relation to the single market. He also recognised the need for changes in how the EU operates post-

¹⁸⁸ Francis Maude signed the Maastricht Treaty as Financial Secretary to the Treasury.

¹⁸⁹ See House of Commons Hansard, 15 February 2000.

¹⁹⁰ House of Commons, 15 June 2000.

¹⁹¹ Speech at the Hungarian Ambassadors' Conference, Budapest, 25 July 2000.

enlargement and was keen to highlight two absolute preconditions for agreeing to greater flexibility in the way that the European Union works: 'there is scope for some member states moving ahead on certain policies faster than others but these so-called enhanced co-operations must be genuinely open to all and must not undermine the existing policies of the Union, especially the Single Market'.¹⁹²

Blair also stated in the same Written Answer that 'Britain has a significant interest in seeing a reweighting of votes so that the position of larger member states, which has deteriorated in relative terms with successive enlargements is improved. That is also a necessary outcome of the negotiation if we are to agree to a reduction in the size of the Commission'.

Attitude towards the need to draw up a European constitution

On the question of drawing up an EU constitution, Britain remains hesitant, if not hostile, mirroring its tentativeness in the field of domestic constitutional reform.

Both Labour and the Conservatives remain committed to keeping nation states at the centre of the European project, albeit with different emphasis. The Conservatives remain wedded to the idea of British sovereignty represented through the nation state as the sole vehicle through which to act. Labour, seeking to remedy the democratic deficit at the European level, have placed great emphasis on renewal of the Council and a second chamber for the European Parliament composed of national parliamentarians. The representative institutions of the nation states - national parliaments and governments - are regarded as the prime source of legitimacy. The Centre for European Reform and the Foreign Policy Centre - both think tanks close to the government - have contributed strongly to this position.

In his Warsaw speech Blair stated that 'Europe is a Europe of free, independent sovereign nations who choose to pool that sovereignty in

pursuit of their own interests and the common good, achieving more together than we can achieve alone. The EU will remain a unique combination of the intergovernmental and the supranational.

Such a Europe can, in its economic and political strength, be a superpower, but not a super-state.'

The problem for the British is that its own constitutional arrangements are so diffuse and have developed over hundreds of years. Constitutions contained in a single legally binding document, apart from being an attribute of statehood, tend to be imposed or introduced relatively suddenly rather than being the result of organic development. Advocating a constitution leaves them exposed to charges of downgrading Britain and supporting the creation of a European superstate. However this position does not preclude support for initiatives which could result in the creation of a variety of constitutional documents. In his Warsaw speech the Prime Minister called for the drawing up of a charter of competences to ascertain what should be done at European, national and regional levels. Such a document would be a political document rather than a legal document.

This is similar to the government's position on the EU Charter of Fundamental Rights, which has been resistant to a justiciable document preferring instead a political declaration. This is partly to avoid the constitutionalisation of the European Union.

The Liberal Democrats remain committed to the idea of a European constitution, paralleling their unequivocal support for constitutional reform in the UK.

3. Which positions can be identified in your country as to the costs of enlargement? Is the agenda 2000 as agreed in Berlin sufficient or does it need a revision/correction? Have positions on crucial agenda 2000 items (e.g. national co-financing of CAP, concentration of regional funds, general correction mechanism own resources etc.) changed in your country compared to the situation at the Berlin summit in March 1999?

¹⁹² From House of Commons Written Answer on 23 October 2000. There was no oral statement to parliament as the House of Commons was still in recess immediately after Biarritz. A transcript of the press conference made at Biarritz is available on the foreign office website: www.fco.gov.uk.

Please refer to:

- **Ceiling of 1,27% of GNP for the EU budget 2000-2006. What shall happen with funds indicated for enlargement but probably not spent in 2002/03? Reform proposals/ financial framework for the period after 2006: Shall the ceiling of 1,27% GNP be continued?**
- **CAP: Direct payments for new CEEC members? Upgrading of SAPARD?**
- **Regional policy: Additional instruments/objectives to address specific needs of CEEC-candidates and more money needed?**

Austria

The agenda 2000 is not a topic any more. Austria was and is satisfied that the results of the Berlin summit should reduce the net contribution to the EU budget in the course of the following seven years. The costs of enlargement are not publicly discussed. Under the current budgetary situation in Austria in connection with weak public support for enlargement no institution will suggest that more money should be spent on enlargement.

Ceiling of 1,27% of GDP

As a net contributor to the EU budget Austria always argues for caution concerning financial questions. During the negotiations for the agenda 2000 Austria argued not only for the maintenance of the 1,27%-ceiling of own resources but also for a freeze of expenditure in real terms. This continues to be Austria's position.

The Social Democratic Party suggests that any funds not needed for new member states should be returned to net contributors to the EU budget.¹⁹³

¹⁹³ Written answers by the Social Democratic Party to the issues raised in the questionnaire (via E-Mail).

CAP

Originally, direct payments have been introduced as a compensation of price cuts. Since there are no price cuts to be compensated in the applicant countries, direct payments should not automatically be extended to new member states. However, the reform of the CAP in the framework of the agenda 2000 extended the instrument of direct payments and separated it from its function as compensation for price cuts. Therefore, a certain percentage of the amount of direct payments in the current member states could be offered to farmers in new member states. The financial limit of the total amount of these direct payments has to be the amount of funds earmarked for new member states under heading 8 of the financial framework 2000-2006.¹⁹⁴

SAPARD is seen as a very useful instrument to prepare the candidate countries for the implementation of the *acquis communautaire* in the field of the CAP. However, it is too early to evaluate the program and to consider a potential need to upgrade it. The current priority is the full implementation of the program. Not all of the candidate countries have already presented their development programmes for rural areas and the co-financing of the Community contributions has to be secured.¹⁹⁵

Belgium

Ceiling of 1,27% of GDP

The Belgian government takes a rather passive attitude in this debate. The complete overview of the costs of the enlargement towards the east will only be relevant in the year 2006. As to our information, the government did not see the point in adapting the budget at this stage. The funds are attributed to the different chapters, and the Agenda 2000 as agreed in Berlin is therefore considered to be still sufficient. At the end of 2006, a revision will be necessary.

¹⁹⁴ Position paper of the Ministry for Agriculture and Forestry, the Environment and Water Management.

¹⁹⁵ Interview with an official in the Ministry for Agriculture and Forestry, the Environment and Water Management.

The Belgian government defends the standpoint that funds foreseen for enlargement, but not spent in 2002-2003 are not transferable to the following years.

CAP

As the agricultural reforms are one of the biggest political problems to tackle in the accession negotiations, the standpoint of the Belgian government is very low profile in this matter. The discussion whether to attribute direct payments to the farmers in the new member states is at this moment still ongoing. Concerning SAPARD, no real discussions are held at the moment. The government sees the structural reforms of the agricultural policy as a part of the accession negotiations, realising that this theme puts a high pressure on the negotiators. This remains a low issue in the general discussions at governmental level.

Regional policy

The government recognises the problem of the regional policy as being the following. Almost all candidate countries reach the formal requirements of being recognised as an objective 1 region, while most of the present objective 1 regions in the EU 15 will no longer fulfil these requirements after enlargement since their average per capita income will be above 75 % of the new Community average. The Belgian government recognises the problem, but does not consider concrete initiatives, mainly because the Belgian objective 1 region of Hainaut will be phased out by 2006.

Denmark

In general, it should be stressed that the Danish Government is of the opinion that enlargement is of such a vital importance for the future stability of Europe that the economic costs are of lesser importance. Furthermore, the government takes the view that all questions concerning the first enlargement wave were solved in Berlin. In that respect, a revision of the Berlin-deal is not on the table. However, Denmark would support further CAP-reform in the nearest future. It should be stressed that this is not

due to enlargement, but due to the fact that the CAP-reform in Berlin did in general not go far enough.¹⁹⁶

Ceiling of 1,27% of GDP

According to the Danish Government unspent money should not be transferred back to the member states but remain on the EU budget. This is mainly in order to make room money-wise for a bigger first enlargement round than the one envisaged in Berlin.¹⁹⁷

CAP

The Danish government is of the opinion that the newcomers should be treated in exactly the same way as the old member states. The Danish Government has not taken a position on the financial framework for the period after 2006. Whether the ceiling should be raised will depend on the budgetary needs and especially also on how many countries join before 2006. Concerning SAPARD the Danish government is of the opinion that the instrument (after delay within the Commission) should be implemented as quickly as possible.¹⁹⁸

Regional policy

The Danish Government does not consider it a necessity that more funds are added for enlargement. The present reform is sufficient. Generally, it looks upon the cohesion fund as being particularly suitable for newcomers.¹⁹⁹

Finland

The government sees that enlargement can be carried out within the frame agreed in Berlin for the years 2000-2006. The funds allocated for enlargement but probably not spent in 2002/03 will be discussed while discussing the budget of the year 2002.

¹⁹⁶ Interviews in the Danish MFA, October 2000.

¹⁹⁷ Interviews in the Danish MFA, October 2000.

¹⁹⁸ Interviews in the Danish MFA, October 2000.

¹⁹⁹ Interviews in the Danish MFA, October 2000.

According to Agenda 2000, new member countries would not receive direct CAP payments because of the fact that they were assessed not to fulfil the criteria. As the negotiations proceed and as the situation in the candidate countries possibly changes, one has to come back to the question. SAPARD and ISPA are still in a starting phase and therefore it is too early to say whether any updating or upgrading would be needed. In regional policy, the member countries need to look already now at the post-2006 time and think more broadly about the type of regional policy one should have in an enlarged Union.

France

As regards the cost of enlargement, the prevailing feeling in France is that it is difficult today to work out its exact cost : it will all depend on the number of applicants who will join the European Union and on when they will join. And, as we have already seen, for the French government these elements are difficult to anticipate as such since they depend on how quickly the various applicant countries will adopt and implement the *acquis communautaire*. For the time being, Agenda 2000 as agreed in Berlin in March 1999 is therefore considered as sufficient. Given the provisions the French secured during the negotiation of the agreement, in particular for the farming sector, they are in fact much attached to its implementation as it is.

Ceiling of 1,27% of GDP

Then the question of raising the ceiling of 1,27% of GNP for the EU budget 2000-2006 is not in order. The French argue that, on the one hand, this ceiling is not currently binding, Community expenditure standing at about 1,1% of GNP. On the other hand, Europe is in a growth period which mechanically increases the Community GNP the ceiling refers to. For the government, these two elements should consequently give enough leeway even in the event of enlargement.

As for funds indicated for enlargement in Agenda 2000 for years 2002-2006, it is argued, for instance in Mr Pierre Moscovici's staff,

that they are merely "available" for accession. As long as there is no enlargement, they should not be spent. It remains to be seen whether, in the event of enlargement, for instance in 2004, the funds allocated for it would be as specified in Agenda 2000 for the year 2004 or else for the year 2002 – the first year originally considered under the enlargement heading. This would make a difference as the amounts earmarked are gradual²⁰⁰. For the time being, there is no formal French position on the issue.

The question of increasing the funds allocated to the SAPARD and ISPA programmes or the creation of additional instruments also seems premature. French officials point out that these are new instruments that are just beginning to work this year. Priority should therefore be given to their implementation. All the more so as, according to our interlocutors, there does not seem to be any need for further allocations but rather a difficulty to spend all the funds allocated²⁰¹. Admittedly, these are typical obstacles with a starting up programme and the tendency to "over-fund" a new programme in the initial period had already been seen with the Phare programme²⁰².

CAP

As for direct payments to farmers, as we have already explained, the question is not officially settled yet. The position of the French government is that one should first see how applicant countries manage to implement the CAP mechanisms (Common Market Organisations, veterinary and phytosanitary standards) before looking into the payment counterpart of these commitments. While the ministry of agriculture considers that, in the long term, all the farmers of the Union should benefit from the same aids, the question of the level of aid

²⁰⁰ The amount "available" for accession is of over 4 billions for 2002 and almost 9 billions for 2006.

²⁰¹ Cf. for instance the *Bulletin quotidien de l'Agence Europe* dated 7 June 2000 on the SAPARD implementation difficulties.

²⁰² Florence DELOCHE-GAUDEZ. *La politique de la Communauté européenne à l'égard des pays d'Europe centrale et orientale de juin 1988 à juin 1993. Une réflexion sur le caractère pluraliste de la construction européenne*. Institut d'Etudes Politiques de Paris. Thèse de doctorat. 1998.

given to applicant countries' farmers in the meantime is not yet settled. France is not officially opposed to the principle of making direct payments to applicant countries. But it seems unlikely to accept the immediate payment, on the day of accession, of all the direct payments member States' farmers would then receive : beyond the cost of such a measure, some people consider it would be inappropriate. We should recall that direct payments were initiated to offset a drop in farm products which should not occur in Central and Eastern Europe.

The main farmers' union, the FNSEA, is very straightforward about it. It considers that if the countries of Central and Eastern Europe are, in the long term, to benefit from the "same rights" as the member States and if "severe cuts" in the CAP are to be avoided, additional funds should be made available. It is even more true if the Member States were to decide to make direct payments on the date of accession. For the FNSEA, the financial impact of this alternative – which, as we have seen, it rejects – is not actually taken into account by Agenda 2000²⁰³.

Concluding remarks

Finally, on the financial issues, the French have a wait-and-see attitude. Admittedly, the uncertainty which exists today with regard to the implementation of the acquis by applicant countries, the scope of the first round of enlargement and the date on which it might occur makes it difficult to determine a position. From this angle, waiting to see things more clearly may seem to be wise. At the same time, this cautious attitude means not answering new questions regarding the implementation of common policies in the new member States and therefore on the cost of enlargement – questions that will become more and more acute.

Germany

By and large there are no shifts of positions of the key political actors with respect to agenda 2000 and the initial constellation of March 1999. The government fully subscribes to the workability of agenda 2000, which was negotiated under its EU presidency. It denies the need to re-negotiate parts of the package, even in case more than six new members will join the EU. CDU/CSU argue that funds earmarked for the CAP will not be sufficient. They opt for national co-financing of CAP and still criticise the imbalances in the financial contributions to the EU budget among the member states. With regard to co-financing and other reform proposals the government might be prepared to revisit reform options that could not win through at the Berlin summit leading to agenda 2000. However, it does not see that member states, like France, are about to change their position soon. As long as initiatives for a revision seem unrealistic because of a lack of common positions inside the EU and between France and Germany in particular, one may not expect the German government to take respective reform initiatives. However, within the next years and in light of pressure from the WTO-negotiations or the agreed procedure to re-evaluate CAP expenditure by the Commission, Germany might well look for windows of opportunity for policy reforms: introduction of national co-financing of income transfers to farmers, abolishment of production quotas, e.g. for milk etc., can be put on the table.

For Germany, the outcome of the agenda 2000 negotiations on the structural funds was positive. However, the government expects increased competition between regions in the enlarged EU. Thus, in the period following 2006, a better concertation between regional, national and EU levels and effective allocation of funds must be achieved.

The ceiling of 1,27% EU-GNP for own resources shall be observed also in the future. Before the 2002 elections there will be no debate on an upgrading of the EU budget or a probable extension of Germany's contributions. With a view to an expected struggle over the next EU-budget, Foreign Minister Fischer indicated, that he cannot imagine any German government that would be prepared to make significant financial concessions unless also

²⁰³ Financement de l'Agenda 2000: les fondations fragiles d'un chantier inachevé, 10 March 2000; Positions de la FNSEA sur l'élargissement, 11 May 2000 (<http://www.fnsea.fr/dossiers/elargissement/LP000502.html>).

significant progress is made in terms of the constitutional and institutional reforms of the EU.

Greece

Cost of enlargement is not an issue figuring prominently in public discussion, except in the form of concerns that the EU funds flow to the Greek economy (presently at a level close to 4% of GDP) taper out after 2006. There is thus an implicit disbelief towards the adequacy of Agenda 2000 funding as agreed in Berlin.

Ceiling of 1,27% of GDP

Time and again the argument surfaces in the Press that at 1,27% of GDP the existing ceiling can in no way correspond to the federal ambitions of the European construction: a wholly different level of transfers would be needed, especially once enlargement is achieved. As to the use of budget funds not spent, the Greek position is favorable to re-use in future budget years.

CAP

No specific funding proposals for CAP. But the perspective of gradual national (co)financing of the CAP is becoming the bogeyman in any discussion on agriculture.

Regional policy

Refocusing of the regional policy and generally of the EU Structural Funds is accepted as a future perspective, especially insofar there will be the need to address issues specific to CEEC countries (large-scale environmental debase-ment, “deep” restructuring and employment re-orientation) but the funding available to already existing structural objectives (and regions) should by no means be crowded out. Consequently, any talk of “concentration” of Structural Funds is viewed negatively, all the more so, since the eligibility of the Athens and Salonika regions would probably be terminated under such an approach.

Concluding remarks

The argument ends in higher overall EU fund- ing being needed; but current Government policy is to present this position only in a roundabout way and not as a request for “more money”.

Ireland

There is an awareness that enlargement will involve costs but also the feeling that these can be dealt with under existing arrangements, in view of the likely realities in regard to the tim- ing of enlargement. Berlin positions have not changed.

The Taoiseach, Bertie Ahern, in his policy statement on Europe which was delivered at the IEA on 21 March 2000, stated that enlargement will have clear financial implica- tions for the distribution of the EU’s resources and “we need to plan for this new situation now and to examine the Union’s spending priorities and own resources”. He added that Ireland would like to see a balanced outcome in terms of the Union’s finances.

Ceiling of 1,27% of GDP

Government sources suggest ceiling should prove adequate and that funds for enlargement should be ring-fenced and carried over. There is no view at this time on post 2006 ceiling. . The Irish Farmers Association is concerned that the existing budgetary provisions may be inadequate to cope with the cost of enlarge- ment and has suggested that a case should be made for a larger EU budget post 2006 to meet the costs of enlargement.

CAP

The Commission view that CAP direct pay- ments under the CAP will not apply to the CEES since they are compensation for past cuts in EU price supports which were not ex- perienceed by the CEEs.

There are doubts in Ireland, if the policy on direct payments can be maintained. According to the Irish Farmers Association, there seems

to be a reasonable probability that as the negotiations proceed, the EU will concede the case for some direct payments to the CEEs. However, according to the chief economist of the IFA, with no extra budget resources, the cost would be met by cutting supports for existing EU farmers in a new round of CAP reform.

With regard to SAPARD, which provides investment support for agricultural and rural development, the view is that there should be some evidence of how SAPARD is working before upgrading is considered.

Regional policy

There is a positive attitude in view of the Irish experience. There is no discussion on additional instruments, that we are aware of.

Italy

Ceiling of 1,27% of GDP

The financial framework defined by Agenda 2000 at Berlin European Council in 1999 aimed at introducing some reform in European policies and providing the Union with the necessary means to fund them in the 2000-2006 period. All expenditure commitments linked to starting the enlargement process were foreseen, even though the perspective was for a 2002 target date for first admissions. In this regard, the general Italian opinion is that European expansion before the end of 2006 should not necessarily lead to financial difficulties, although the budgetary framework only anticipated the accession of up to six candidates.

Although Italy considers any enlargement before the more sensitive questions of Agenda 2000 are solved as damaging, for the moment the Italian government does not envisage any revision of the current financial framework²⁰⁴, which will remain effective until 2006. Of course the regulation of some crucial items, such as agricultural policy and regional funds, should be reviewed to allow for future enlargements without having to correct the mechanism of own resources. But the ceiling of 1.27% of GNP will remain unchanged until

²⁰⁴ Interviews with Italian officials, October 2000.

2006 and Italy will probably propose to continue to use this ceiling.²⁰⁵

As regards funds indicated for enlargement but probably not spent in 2002/2003, there is still no concrete idea among Italian officials concerning the possible reallocation of these funds within the EU budget. On the basis of the Commission Report on development of negotiations, expected to be published in November, enough information and data could be available to be able to take appropriate decisions.²⁰⁶ Of course, the Union is required to act with great flexibility on issues involving the use of money earmarked for other purposes.²⁰⁷

CAP

Looking at the Common Agricultural Policy, since the approval of Agenda 2000, Italy's approach has been to move gradually away from a price support-based system to a system providing direct assistance to farmers, independently of production. This would make it possible to incorporate the Central and Eastern European countries into the community economy, whereas the present CAP mechanisms, if extended to new members, would otherwise cause damaging effects.²⁰⁸ In the Italian view, CAP reform should involve, above all, the liberalisation of the quotas and price system and the rationalisation of direct aid to farmers.

Regional policy

Turning to structural funds and regional policy matters, at present the structural and agricultural pre-accession instruments are functioning well: neither new funds nor new instruments are expected to be approved. On the one hand, applicant countries are not asking for more money in this phase because they would not be able to spend it in the right way; on the other, the EU is now involved in considerable efforts in the field of institution-building, through twinning programmes and aid.²⁰⁹ One of the major pre-accession instruments in the frame-

²⁰⁵ Interviews with Italian Officials, October 2000.

²⁰⁶ Ibid.

²⁰⁷ Ibid.

²⁰⁸ See also Address by Lamberto Dini at a public meeting on "Agenda 2000 and the European integration process", 8 March 1999.

²⁰⁹ Interviews with Italian Officials, October 2000.

work of the EU assistance strategy and programme is SAPARD (Special Accession Programme for Agriculture and Rural Development), which aims at financing structural adjustment in the agricultural sector and rural areas in applicant countries. It has an annual budget of 520 million euro until the end of 2006, with various allocations in ten countries, but candidates may only benefit from it from the year 2000 until the time they join the Union. The first six SAPARD development programmes were endorsed by the STAR Committee in September. Italy sincerely hopes that these six plans will be approved by the Commission by the end of the year and that the financial agreements for the measures eligible for assistance will be signed – also with the other candidates concerned – otherwise the funds will be definitively lost. The large-scale agricultural and rural development projects financed by SAPARD should, in fact, encourage considerably the implementation of the *acquis communautaire* with regard to the CAP and related legislation.²¹⁰

Concluding remarks

In conclusion, the enlargement process will obviously have some costs and Italy is on the whole prepared to face them together with all EU member states, on the condition that these costs are negotiated with the countries asking to join the EU and properly distributed.²¹¹ But the information currently available in the present financial framework still does not offer a precise evaluation of the extent to which common policies will weigh upon future member states' economies, or what the real impact of enlargement will be on the national economies.²¹²

Netherlands

The government feels satisfied with the result of the Berlin summit, since the Dutch contribution to the EU budget has been relatively reduced. It is expected that this decision will lead

to an improvement in the net-payment position of The Netherlands in the period 2001-2006.²¹³ The government holds the opinion that there is no need to revise the financial perspectives as agreed in Berlin. Also the transfer of Cyprus and Malta from external policy (category 4) to pre-accession (category 7) does not justify a change in the financial perspectives. The Dutch government does not support the proposal of the Commission to set aside an amount of 5,5 milliard Euro for the Western Balkan (CARDS), because this figure is regarded as being not soundly based. The Commission should pay more attention to the absorption capacity in the region and to alternative financial sources like multilateral institutions and bilateral contributions.²¹⁴ The government has not formulated its policy for the financial framework in the period after 2006 until now.

In the coming years, the Dutch government wants to make extra efforts in the field of agricultural institution building in Central and Eastern Europe.²¹⁵ It is also considered to be in the interest of the Dutch agriculture to give priority to institutions which guarantee health, safety and other quality aspects of agricultural products from Central and Eastern Europe. The government warns that if no improvements are being made, products from the new member states might in practice be refused access to Western European markets on the basis of sanitary regulations, or that public health and safety requirements for import from these countries might be weakened (see also the answer to question 1).

²¹⁰ Interviews with Italian officials, October 2000.

²¹¹ Ibid.

²¹² Ibid.

²¹³ *De staat van de Europese Unie - De Europese agenda 2000-2001 vanuit Nederlands perspectief*, (The state of the European Union) published on the internet-site of the Dutch Ministry of Foreign Affairs: <http://www.minbz.nl>, p. 68.

²¹⁴ *Staat van de Europese Unie*, p. 70.

²¹⁵ *"Voedsel en Groen - Het Nederlandse Agro-foodcomplex in perspectief"*, The Hague: Ministry of Agriculture, July 2000, p. 35.

Spain

Ceiling of 1,27% of GDP

The position of the government is that there are no elements whatsoever suggesting the need to revise the financial perspectives for 2000/06. In fact, the pace of enlargement negotiations makes it difficult to envisage that six new members will be admitted in the EU in 2002/03, as envisaged in the EU budget, so it is highly likely that the budgeted money will go unused. The government holds the view that there will be very serious legal obstacles to dedicate the unused money to other goals.

CAP

The government is against the idea of direct payments for new CEEC members in the CAP framework. Money should rather be used to help restructuring and modernising the CEECs' agricultural exploitations and agri-industries. As for SAPARD, the government considers that the instrument is relatively new, so it is too soon to consider changing it.

Regional policy

The government holds the view that reopening the 2000/06 budget will benefit nobody. Enlargement must be financed with the available money.

Sweden

Agenda 2000, as agreed in Berlin, is sufficient and adequate for covering enlargement expenditure, as foreseen at the time. Resources for enlargement were calculated with the needs of six countries in mind. Should the enlargement process accelerate so that more countries would join before 2006, it would become necessary to review the issue in the light of that.

The Financial Perspective includes funds earmarked for enlargement from the year 2002. Should the first accessions take place later than that year, which now seems most likely, the funds set aside for earlier years would not be automatically available, since they would not

have been provided for in the annual budgets. Accordingly, the reference in the question to "funds for enlargement not spent 2002/03" is not applicable. (The EU has its special routines for handling unspent, budgeted, funds.)

The Swedish Government fully stands by the agreements reached in Agenda 2000 and would not react favourably to amendments or revisions, except as noted above. Its basic positions on the items mentioned in the question (national co-financing of CAP, concentration of regional funds, general correction mechanism, own resources) remain unchanged, however.

A Finance Ministry source wants to point out that the ceiling of 1.27 % of GNP is not a ceiling for the "EU Budget 2000-2006" as indicated in the question. The figure of 1.27 % is the so-called "own resources ceiling" i.e. the extreme limit which the Own Resources of the Union must not exceed. The actual financial resources of the Union, as decided on in the annual budgets, are considerably lower than that ceiling. Sweden expects this to be a permanent feature of the EU budgets for the foreseeable future. The Own Resources ceiling will remain. Please note, however, adds this source, that the figure of 1.27 % will be revised downwards due to the impending revision of the National Accounts.

The Financial Perspective does not include direct support payments to agriculture for new members. The issue of such support will be the subject of negotiations and has to be seen as part of the whole CAP.

There is no doubt that the new member states have special needs in the field of regional support, particularly in the fields of environment and infrastructure. The current system of rules allows member states to receive structural support up to a maximum of 4 % of their national GDP as decided in the Council Regulation on structural funds of 1999.²¹⁶

²¹⁶ All these paragraphs according to Finance Ministry sources.

United Kingdom

As previously mentioned there has been very little discussion on the costs of enlargement in the UK. Agriculture and rural development are also controversial issues in the UK, with many farming and countryside activists and groups believing the government to be out of touch with its interests. This has heightened since the fuel crisis of September 2000 in which farmers played a leading role. Government pronouncements on rural and expenditure issues are made with great care, doubly so when relating to Europe, and specifics are difficult to identify. Detailed positions on EU budgetary reform are still being negotiated, are sensitive and not revealed. Nonetheless clear views on the thrust of this issue are identifiable.

The general need for further reform of Agenda 2000 and EU agriculture policy is accepted. Nick Brown, Agriculture Minister, praised the outcome of the Agenda 2000 discussions as a success for the Union. At the same time he also accepted that there is further work to be done, particularly in the areas of arable and dairy reforms, and financing, especially in relation to future levels of direct payments to Community farmers. Reform of the CAP remains an imperative: 'the EU has a lot more work to do to ensure the CAP can meet the needs of globalised and liberalised markets. Britain is leading the case for the reforms that will achieve this and facilitate the full integration of new member states into the CAP. We do this for two reasons: first, agriculture should not be a barrier to enlargement; and second, we need to modernise the CAP'.²¹⁷ Brown also believes that direct production subsidies will eventually have to be abolished.²¹⁸

Emphasis is also given to reform of the CAP within the context of the current WTO Round. This is to ensure that the government's trade policy objectives, including increased liberalisation of agricultural trade, are met. The Agriculture Select Committee of the House of Commons was already of the opinion in 1999 that the Berlin agreement on CAP reform was unsatisfactory and would be unsustainable as a

negotiating position if the WTO talks were to succeed. It revisited the issue in 2000 and in its Sixth Report²¹⁹ made a number of observations on the budgetary constraints, EU enlargement and the WTO, all of which act as pressure for reform of the CAP.

It supported the idea of the EU participating constructively in the WTO talks in order to be able to negotiate transition arrangements rather than face challenges to the CAP in the disputes settlement procedures, which would only make change in EU farm policy more traumatic. It also noted that 'it is evident that action must be taken to address those areas of the CAP which are directly linked to shoring up production. Much depends on EU/US relations. We recognise that it is far better for reform to be planned within the European Union than be forced on a piecemeal basis by lost cases in the dispute settlement process. We offer continuing support to the UK government in its endeavours to persuade other member states of the urgency of the radical reform of the CAP and urge the UK Government to pursue that reform more strenuously and to place this issue higher on its own agenda of EU reform.'²²⁰

The WTO reforms on trade liberalisation attract strong support from the UK Government, and together with the pressure which will be exerted on the EU to reform the CAP, are not an insubstantial factor for consideration.

An additional point to make is that the increased opportunities for trade through the expansion of the single market are regarded, in the UK, as one of the major benefits of EU enlargement. Such faith in the increased prosperity, which a larger single market will bring, helps ministers to deflect awkward questions about the cost of enlargement.

4. Please report on the likely impact of enlargement on transatlantic relations from the perspective of your country.

- How is the position of the United States on EU enlargement perceived in your country?

²¹⁷ Speech at the Szent István University, Gödöllo, Hungary, 6 June 2000.

²¹⁸ News Release from the Ministry of Agriculture, Fisheries and Foods, 5 January 2000.

²¹⁹ House of Commons Agriculture Select Committee, Sixth Report 2000. Available from the publications section of www.parliament.uk.

²²⁰ *ibid.* paragraphs 83-85

- **Should "enlargement" figure more prominently on the US-EU agenda and also joint activities or would that weaken the EU position?**
- **Is enlargement expected to strengthen the EU's/Europe's role vis-à-vis the US**
 - **in the economic field?**
 - **in the field of security?**

Belgium

The US has always supported the enlargement of the European Union as this is considered to be a unique chance to institutionalise stability in the eastern part of the European continent. The call from President Clinton to support the membership of Turkey is received as a clear indication that the geo-strategical stability is one of the main motives of the US to welcome the enlargement of the European Union. The US therefore stress the enlargement as the primordial first step to be taken in the coming years.

This position taken by the US is therefore perceived by the Belgian government with some reservation.

The Belgian government does not see the advantage of involving the US into the agenda of the enlargement. It considers the enlargement as a purely internal EU matter and wants to work independent from the US on this matter. The Belgian government does therefore not welcome joint activities.

The Belgian government wants to stress that it does not really support the image of an opposition EU versus US. It is important to the government to consider the multipolar world economy as a system that might strengthen the position of the European Union in the economic field. Evidently, by enlarging the internal market and stimulating the multilateral co-operation, the position of the EU on world level will be strengthened.

The official Belgian position is in accordance with the US view that enlargement is a unique opportunity to increase peace security and stability in Europe. Following Helsinki, the

Belgian government is already making plans for the participation of certain Belgian troops in the 'rapid reaction force', which should be operational in 2003.

Denmark

The United States' position on enlargement does not feature in the public debate in Denmark. According to the government, United States takes an unconditionally positive attitude to enlargement. However, the various US administrations have not always had a realistic perception of what it actually means to become a member of the European Union.

In general, the Danish government does not see a need for special talks with either the USA or other third parties on enlargement. No third party has a veto right over the enlargement process. However, once the accession negotiations are concluded, discussions on trade matters will be opened according to WTO rules (art. 24, 2).

The Danish government does not look upon the EU as a competitor with the US. Any strengthening of the EU is therefore also in the interest of the US since it could deepen the US-EU co-operation on economics and security.

Finland

Enlargement is a process internal to the Union; the United States naturally wants to keep updated on its progress, but it has no reason to intervene as long as its political and trade interests are not at risk. This is what the Finnish government takes as its own starting point and what it sees as that of the United States as well in the question of the impact of enlargement on transatlantic relations. It is in the USA's interests to support integration and enlargement, bringing the applicant countries into the Western European institutions, aiming at making the continent a democratic and wealthy zone of peace; only an integrated Europe can work

together with the USA to manage the global challenges.

At times, however, USA's support for enlargement is understood within the Union as a direct 'guidance' – for instance in the case of Turkey – which makes, then, the Union stress that it does not want to take too much into consideration the views of third countries, the process being essentially an internal matter. It is also clear that the USA protects its interests and those of American companies in the candidate countries. Yet, it seems to be self-evident for the Finnish government that USA's points of view are in any case taken into account in the process. Here, one could in particular note the Finnish presidency's work for granting Turkey the status of a candidate state. Finland worked a lot for US-European relations, and the question of the status of Turkey was one in which Finland found a solution that was welcomed on both sides of the Atlantic.

In this light, there is no particular reason for enlargement to figure more prominently on the US-EU agenda. On the other hand, such a development would not be conducive to an increased US say on enlargement in that enlargement process is an internal matter of the Union.

Whether or not enlargement strengthens the EU's/Europe's role vis-à-vis the USA in the field of economy or that of security is seen to depend essentially on the deepening of the Union. If enlargement is to increase the Union's political weight, it needs to be accompanied by institutional and budgetary reforms.

France

In France, the United States are viewed as favourable to enlargement. In connection with the Helsinki European Council decision on Turkey, mention was made for instance of existing American pressures in favour of a NATO member. While they understand the American desire to secure peace and stability in Europe, the French tend to reproach the United States with not taking sufficiently into account the risks that enlargement may entail for the continuation of European integration. Some French officials even think that the

Americans could try and use enlargement to challenge some aspects of the *acquis communautaire* which do not suit them. The example of "cultural exception" is often given. In terms of audio-visual policy, the Union has refused to take any commitment within the WTO and the *acquis communautaire* aims at promoting the broadcast of European works notably through the Television without Frontiers directive. On the occasion of OECD membership application by Slovakia, the United States has on the contrary prompted it to liberalize its audio-visual sector. Other officials nevertheless acknowledge that in that case the Americans could actually take advantage of disagreements that exist among the Member States themselves. According to a French diplomat, when it comes to the audio-visuel *acquis* in the enlargement working group, the French tend to be isolated.

However this may be, for the French, enlargement of the Union is a European issue in which the United States should not interfere. Then the question of whether to discuss it with the United States does not really apply.

As to know whether enlargement will strengthen Europe in relation to the United States, there again, the French answer is conditional : it all depends on the way it is done. If the applicant countries can actually manage to apply the *acquis communautaire* and if the representatives of the member States manage to reform the institutions, then there is no reason why the extension of the number of States should not bolster Europe vis-à-vis the United States. There is nevertheless a persistent fear that in a broader and more heterogeneous Union it might be difficult to move forward, both in the economic field and in that of security.

Germany

The US administration holds a strategic outlook on EU enlargement, which is widely shared by the German government. It thinks that US support for the project is very helpful. Of course the terms and pace of accession is entirely a case for the EU alone. There is no need to put enlargement as such directly on the EU-US agenda. However, there are numerous pan-European problems, connected with inter-

nal security (organised crime, trafficking in drugs and people, nuclear safety etc.) that form part of the transatlantic agenda and give room for effective cooperation.

The government expects a stronger global position of the EU as a result of enlargement. It is a test case for the EU's capacity to project stability and is a manifestation of the magnetic attraction of the EU. Foreign Minister Fischer stated: "Our aim as Europeans is clear: at the end of this decade we want a European Union which is economically and politically integrated, secures Europe's internal stability and which, as a partner of the United States, makes a substantial contribution towards a fairer and more peaceful world. We want a close partnership and a continued American presence in Europe ... More Europe is a precondition for the transatlantic partnership of the future."²²¹

Greece

The present pro-European/pro-EU stance of the very large majority of Greek public opinion and of both the two large parties in Greece plus one of the smaller ones (less than 15 MPs out of 300 are anti-European, while at most 40 more could be considered Euro-hesitant), when combined with a latent but persistent anti-Americanism in Greece, leads to take role of bulwark against American being attributed to Europe. Since enlargement means "more Europe", it is welcome in Greece as a move towards a more equilibrated EuroAmerican relationship (within which Greece would benefit of special protection in its foreign relations as an insider of the one pole).

- US positions in EU enlargement have been noticed in Greece only insofar the perspective of Turkey's accession is concerned; Turkey's acceptance by Europe is partly seen as mandated by the U.S. – and is further frowned upon in Greece, because of this.

- No defined position on the pre-eminence of enlargement on EU-US agenda.
- Enlargement is expected to strengthen the EU both economically (but this is not put forward with an explicit reasoning, especially since the collapse of the Euro against the dollar) and politically (here the role of a bridge to the ex-superpower Russia is implicit). Discussions underway relative to a defense identity for Europe are also viewed as potentially weaning European countries away from the US – dominated NATO structure. (This last belief persists in Greek public opinion notwithstanding the Kosovo experience.)

Ireland

The position of the US on enlargement is perceived as positive. The question of enlargement being given more prominence on the EU/EU agenda does not appear to have been discussed at official level. Enlargement would be expected to increase the EU's role vis-à-vis the US.

Italy

One of the fundamental Italian guidelines in the field of foreign policy has always been the strengthening of Atlantic solidarity: the Italian government is firmly convinced that an increased political and economic European integration can only reinforce the rule of the EU in international relations.²²² In particular, in Italy the impact of the enlargement process on transatlantic relations is expected to be very positive, also considering the position of the United States on European issues. In fact, the United States has frequently expressed opinions in favour of European enlargement: Clinton has been an enthusiastic pro-Europe presi-

²²¹ "Towards a new transatlantic partnership: The United States, Germany and Europe in an era of global challenges", Herbert Quandt lecture by Joschka Fischer, Washington, 15 September 2000.

²²² See the Statement by Lamberto Dini at a meeting of Foreign Affairs Committee – Senate – on "Italian foreign policy priorities", 8 June 2000.

dent²²³, in spite of some hesitation on monetary union or defence matters.

Even though it is not yet certain whether his enthusiasm for the EU will survive him, Italians generally feel that the Americans see European enlargement as a good opportunity, both for US foreign policy and for Europe itself. First of all, the US will no longer have to negotiate separately on the political level with a number of different governments. Then, militarily, a large united Europe will be able to share the burden of European defence better. Finally, in economics the United States wishes to face a single regulatory and financial regime, based on monetary union.

At present, the US internal debate is completely absorbed by the presidential elections, but the Italian government does not expect the United States to change its pro-enlargement view substantially.²²⁴ According to the prevalent Italian opinion, US concerns could relate to the intensification of popular dissatisfaction. That means the European states should make a greater effort to eliminate the possible divisions within the EU, in order not to threaten the internal and external requirement of stability during the integration process.²²⁵

All things considered, European enlargement will be result in a strengthened Europe in transatlantic relations, with a more clearly defined role towards the US, both in the economic and security fields.²²⁶

Netherlands

The debate on US-EU relations in The Netherlands is mainly focussed on security issues and the negotiations in the WTO. Within the second pillar, the Dutch government aims to promote intensive co-operation between NATO and the EU. The Netherlands has traditionally emphasised the Atlantic relationship in its foreign policy and also the recent proposals for an independent European defence structure have

met reservations in Dutch politics. This event has made one author wonder whether the Dutch government still tries to be more Atlantic than Washington.²²⁷ Finally the Dutch government accepted the defence plan and even came with an own initiative for a European navy force. This policy gives reason to conclude that the Dutch approach towards the EU-Atlantic relationship has become more pragmatic. In general, however, the traditional Atlantic position of The Netherlands still gives support for the expectation that the Dutch government will continue to insist on taking the American interests into account in the decisions of the EU.

Especially the conservative-liberal VVD, one of the government parties, attaches considerable importance to close relations with Washington. The party has recently expressed its worries about the strategic relation with the United States and asked the government to extend the political and military co-operation.²²⁸ The VVD emphasised that the relation is important because the US shares a common goal in the field of democracy and human rights, because the world needs the American military power and because the economic interdependence makes it necessary to have clear trade rules.

Spain

This issue is not central for the Spanish government. Transatlantic relations will be affected by Eastern enlargement in only very generic ways. To the extent to which enlargement contributes to increasing security and prosperity in Europe, transatlantic relations will benefit from it.

²²³ Gerard Baker, "Washington's unspoken doubts about Europe", *Financial Times*, 5 October 2000.

²²⁴ Interviews with Italian officials, October 2000.

²²⁵ Ibid.

²²⁶ Ibid.

²²⁷ M.C. Brands, De Europese Unie: soft on harsh issues, strong on soft issues, in: *Internationale Spectator*, The Hague: Institute Clingendael, March 2000.

²²⁸ VVD fraction leader Dijkstal, Algemene Beschouwingen, Second Chamber 2000-2001, doc. 27400, nr 1, 20 September 2000, p. 56.

Sweden

In the Swedish Foreign Ministry, the EU enlargement is not seen as a major issue for the trans-atlantic relations. The United States' attitude on the enlargement is perceived as generally positive.

EU enlargement is in that respect not really an important issue for the US-EU agenda as far as Sweden is concerned. To which extent the enlargement is expected to change the relation between the U.S. and the EU has likewise not been thoroughly contemplated beyond more trivial conclusions (if the EU becomes economically stronger as a result of the enlargement, the EU economical role will be strengthened, etc.).²²⁹

More generally, according to the draft "Programme for Sweden's Presidency of the EU Council of Ministers", Sweden will seek to strengthen relations between the EU and the US. "A priority area during the Swedish Presidency will therefore be to further develop the New Transatlantic Agenda (NTA)."

United Kingdom

Again, public discussion on enlargement in the UK does not extend to its impact on the EU-US relationship, although this is a topic of growing importance in governing circles. Given the UK's affinity and 'special relationship' with the United States a number of observations are worth making.

In ideological terms, the Labour Party enjoys some close ties with the Democrats. Ideas, and possible policy recommendations in a number of areas are often imported. This of course extends to economic policy and a shared belief in the superior dynamism of the 'Anglo-Saxon model', which the British government believe shone through at the Lisbon summit in March, together with the greater European adherence to social cohesion. The UK sometimes sees itself as a bridge between the USA and Europe.

Labour and the Liberal Democrats certainly perceive that the USA wants the UK to be a

committed member of the EU, and eventually the Eurozone. The Conservatives have a more ambivalent view on this, and many of their number have begun to talk about forging ties with NAFTA. UK membership of NAFTA remains a proposal advocated at the fringe, but talk of the EU and NAFTA entering into some kind of free trade arrangement is considered seriously. This notion, although dismissed by most outside the Conservatives, is given disproportionate coverage in the eurosceptic press.

With regard to economics, public opinion perceives the Eurozone economy as weak and the euro undesirable, which is primarily due to the depreciation in the value of the euro against the dollar. Such a belief in the superiority of the US and UK economies (despite the pound's own considerable fall against the dollar) is not counteracted by the expected accession of weaker economies to the European Union and ultimately the Eurozone.

In security policy, the UK still regards NATO and US involvement as cornerstones to European defence. The UK has sought to deepen European specific co-operation in defence to strengthen the EU's capability when NATO is not engaged. This ensures that Europeans can share a greater burden and be a more capable and coherent partner with the USA. It has been argued that US disengagement from Europe has paralleled the growth of the EU. The British efforts at fostering deeper co-operation in security can be seen as an attempt to reassure both the USA that NATO will continue to play a leading role in European defence and the rest of Europe that military strength is available with Britain as a committed player. A strong British role in security is also relatively easy to sell to a domestic audience.

Minister for Europe, Keith Vaz, has stated that '(Enlargement of the EU) will benefit America. Put simply, a peaceful, stable and prosperous Europe will be good for all of us. An enlarged membership of the European union is the best guarantee that the US will never again be forced to commit troops to resolving national rivalries on the European continent.

A Europe of 500 million people will be a huge market of opportunity for the United States, and will extend the European area of democ-

²²⁹ According to Foreign Ministry officials.

racy, high environmental standards, and high living standards.²³⁰

In defence and security enlargement is regarded as a broadly positive development. Despite the optimistic picture of an enlarged market there is some way to go to convince people of the economics.

5. Please note any observation you made on the debate on enlargement in the aftermath of Helsinki in your country!

Austria

At the beginning of February 2000 the former government coalition between the Social Democratic Party (Sozialistische Partei Österreichs - SPÖ) and the People's Party (Österreichische Volkspartei - ÖVP) was replaced by the new government coalition between the ÖVP and the Freedom Party (Freiheitliche Partei Österreichs - FPÖ). On the initiative of the federal president, Thomas Klestil, the leaders of the two coalition parties signed a declaration before the new government was sworn in which also contains a paragraph explicitly referring to the European Union and enlargement:

"The Federal Government is committed to the European peace project. Co-operation between the coalition parties is based on a commitment to Austria's membership in the European Union. [...] Austria's future, too, lies in the deepening of integration and the enlargement of the Union. Austria's history and geopolitical situation represent a special responsibility to further the process of integration and to anchor the European idea even more firmly in everyday life. The Transatlantic Partnership will have a special significance in order to assure peace and stability during the 21st century."²³¹

The working program of the government repeats this commitment to the EU, continued integration and enlargement. Enlargement "will expand the area of peace and stability on the European continent". Furthermore, Austria "has already reaped economic advantages from the emergence and opening of new market economies in her immediate neighbourhood" and "has a special relationship with the candidate countries in Central and Eastern Europe also on account of history and culture".

"The Federal Government will therefore support the enlargement process while having due regard to Austrian national concerns and competition-related interests, such as security of employment, the safety of the environment, nuclear safety, agriculture, transport and other open problems in respect of individual candidate countries. In order to ease mutual difficulties of adaptation and conversion, the Federal Government will take account of the necessary flexibility through review clauses, different integration speeds and adequate transitional periods."

The government also announces that it will continue its "information activity about Europe in order to respond to the interest of the Austrian population in European policies, with an emphasis on the coming enlargement of the Union".²³²

On paper the new government program is a continuation of the policy of the former government. But of course the formulations leave ample room for interpretations.

The new government also brought some changes in the organisational structure. The responsibility for overall EU-policy lies now within the hands of one party (the People's Party) and the co-ordination of EU-policy is concentrated in the Ministry of Foreign Affairs.²³³ On the initiative of the People's Party, the government appointed in March Mr. Erhard Busek, a former vice-chancellor and well-known expert on central and eastern european countries, as government representative for

²³⁰ Keith Vaz, Minister of State, speech at the European Institute, Washington DC, 29 February 2000. "The EU-US Relationship – What's in it for America?"

²³¹ Declaration "Responsibility for Austria – A Future in the Heart of Europe", signed by Wolf-

gang Schüssel and Jörg Haider; Vienna; February 3, 2000.

²³² All quotations: Government Program; Vienna; February 2000.

²³³ The former coalition had a co-responsibility in EU-matters of the Federal Chancellery (SPÖ) and the Ministry for Foreign Affairs (ÖVP).

enlargement. Mr. Busek's task is to improve communication between Austria and the candidate countries, to explain the respective positions and problem areas on both sides and to explain the aspects of enlargement to Austrian stakeholders and the public. The appointment of Mr. Busek could be interpreted as a clear sign to the EU and the candidate countries that Austria is truly committed to enlargement.²³⁴

In August the coalition parties openly discussed their differences concerning the question of the so-called Benes-decrees and the Avnoj-decisions. These decisions go back to the days of World War II and were the legal basis of the expulsion of German-speaking inhabitants from what is now Slovenia (Avnoj-decisions) and the Czech Republic (Benes-decrees). According to the government program the government will work for fair solutions for "the German-speaking populations expelled to Austria as a result of the Benes decrees and the Avnoj regulations".²³⁵ But the formulations of the government program are very vague as to whether these questions should be made a precondition of enlargement or not. One of the points that need "careful and thorough preparation" according to the government program reads as follows: "During the enlargement negotiations, the Federal Government will in particular also urge equal access to law for Austrian citizens and foreigners and non-discrimination on the basis of national origin and native language in cases of property restitution and privatisation."

The People's Party considers these problems as bilateral questions which should not be made a precondition of Austria's support or consent for EU-membership of the concerned countries. The Freedom Party, on the other hand, insists on a solution of these problems prior to accession. Without the nullification of the Benes- and Avnoj-decisions and a solution to the question of restitution the Freedom Party will not support the accession of the Czech Republic and Slovenia and possibly argue in favour of a veto.²³⁶ For the time being this question

²³⁴ Mr. Busek is highly esteemed in CEE countries, especially in the Czech Republic and in Poland, because he had actively supported the former dissidents for a long time before 1989.

²³⁵ Government Program, Chapter 2 (A strong democracy), Point 12.

²³⁶ See for example "Der Standard", 14./15.8.2000 and 23.8.2000.

remains unresolved. In the context of this conflict the Freedom Party criticised Mr. Busek for not representing its position concerning the Benes- and Avnoj-decisions properly and demanded his resignation. The People's Party continued to support Mr. Busek as the best expert in the field. Finally the Freedom Party declared that Mr. Busek will no longer be considered as government representative but only as counsellor of the Ministry for Foreign Affairs.²³⁷

Only recently Mr. Haider, now governor of the state of Carinthia and still the most influential person in the Freedom Party²³⁸, suggested to stop accession negotiations immediately and instead to head for a customs union with the accession candidates. According to Mr. Haider, Carinthia will present this position to the Committee of the Regions.

The statement of Commissioner Verheugen in favour of referendums about enlargement led to several reactions in Austria. Most statements welcomed the underlying idea that the enlargement process needed the support of the public. Most favourable of the idea of a referendum was the Freedom Party. Representatives of other parties made several objections. For example, the leader of the Social Democratic Party, Alfred Gusenbauer, pointed out that a referendum could stir up negative emotions that are not directly linked to the question of enlargement.²³⁹ The Federal Chancellor, Wolfgang Schüssel, recently opposed the idea of referendums, not least because 15 member states and 13 applicant countries would lead to 195 national referendums.²⁴⁰

²³⁷ However, the government decision to implement Mr. Busek as government representative was not changed.

²³⁸ At the beginning of May the party leadership changed, on the initiative of Mr. Haider, from himself to the vice-chancellor, Ms. Riess-Passer. Mr. Haider continues to be a member in the "coalition committee" which co-ordinates government policy.

²³⁹ "Der Standard" 5.9.2000 and 14.9.2000.

²⁴⁰ "Der Standard", 29.9.2000.

Belgium

General remark about the debate in the public opinion

In first instance, we would like to underline that this overview is basically the official standpoint of the Belgian government and Belgian political parties.

The information concerning the Belgian public opinion was derived from the main newspapers, but we realise that the newspapers are not necessarily representative for the opinion of the population, as they often influence the public opinion with simplified or even incorrect information²⁴¹. The most recent report of 'Eurobarometer', as released in the Belgian press on Friday, 27 October 2000, reveals that only 38% of the Belgians support the enlargement of the EU. In general, no real debate is held at the level of the Belgian public opinion, and newspaper articles as mentioned above evidently do not encourage the public opinion to think about enlargement.

The debate in Belgian official circles

On the whole we can state that no significant change in the debate concerning the enlargement has taken place in the aftermath of Helsinki. The main topics concluded at the Helsinki summit are still reflected in the official standpoint of the Belgian government.

The debate about the finalities of Europe will be one of the main topics of the Belgian Presidency in 2001²⁴². In his speech on the future of

²⁴¹ In the newspaper 'Metro' of 25/10/2000 that is spread among the population for free, the following title was written on the front side: "Eastern European EU-Membership dangerous for our health". Minister of Agriculture Jaak Gabriëls was questioned about the possible consequences of the enlargement concerning food-quality, and he states that the control-mechanisms in the applicant countries are of such a quality that that might endanger the health of the Belgian population as well. These kind of incomplete and incorrect information in a widely spread newspaper influences the public opinion a lot.

²⁴² As pronounced by the Prime Minister on October 17 in his federal policy declaration ("Federale Beleidsverklaring, 17 oktober 2000, Brussel).

Europe²⁴³, Prime Minister Verhofstadt stresses the importance of the final targets of the European Union: "The European Union is like a bicycle. It has to move, otherwise it will collapse" (own translation).

Denmark

The referendum campaign on the euro emphasised how important enlargement is for basically all parties in Denmark. As a matter of fact, it is almost politically incorrect to question enlargement. Hence, both yes and the no-parties were careful to link their position on the euro to the enlargement cause. The yes-side generally made the point that a 'yes' to the euro would – as an important side-effect - also strengthen Denmark's bargaining power in the enlargement process. The Socialist Party, conversely, argued that a 'no' would help Central and Eastern Europe. If Denmark voted no, the door for a flexible Union would be opened, where the applicants would not necessarily have to become full members of all integration areas. Possibly a no could also trigger a discussion on different convergence criteria for Central and Eastern Europe.

Finland

In the media, enlargement has been mainly visible in two ways: through its economic impact – it means a heavier burden of EU membership for Finland – and through its impact in decreasing Finland's relative influence within the Union; as an example, it has been noted that the number of Finnish MEP's could diminish from 16 to 10 (if counted in the way that the EP supports).²⁴⁴ On the other hand, the largest daily newspaper *Helsingin Sanomat* has also, during the autumn of 2000, published a series of articles in which representatives of

²⁴³ Speech of the First Minister Guy Verhofstadt for the European Policy Center, 21 september 2000.

²⁴⁴ *Helsingin Sanomat*, 19 May 2000.

each applicant country have explained their respective views on enlargement.

The Finnish public opinion has been rather negative to EU enlargement.²⁴⁵ The negative stand was further fomented by a poll conducted for SAK, the Central Organisation for Finnish Trade Unions, in September 2000. It hit the headlines with the claim that if Estonia became a EU member, 400 000 Estonians would come to work to Finland. In reality, the interviewed Estonians mainly wanted to work in Estonia, and while 17% of them expressed their interest in working in Germany, only 9% wanted to come to Finland or Sweden. Yet, this was for the trade unions an opportunity to argue that one had not prepared well enough for the consequences of the Eastern enlargement in Finland, and for requiring, more concretely, a transition period for free movement of labour of approximately 7-10 years.²⁴⁶ The reaction by the political lead was to disprove the interpretation of the poll immediately. The Finnish Minister for Foreign Trade, Mr Kimmo Sasi, maintained it gave a false picture of the matter. He also saw a 10-year transition period as being absolutely too long.²⁴⁷

In any event, the Finnish Ministry of Finance has set up a working group to assess the economic consequences of enlargement for Finland and for the EU, in particular in terms of employment and production, as well as to assess the extent to which the applicant countries fulfil the economic criteria for membership. The first report is expected at the end of the year 2000.²⁴⁸

France

In the aftermath of Helsinki, the French see the Union as engaged in a process of a very wide

²⁴⁵ In a poll conducted in late 1999, 54% of the respondents were in favour of increasing the number of EU member states – yet, 60% were contrary to enlargement if it was to create additional costs. See the chronology of Finnish foreign policy at http://virtual.finland.fi/finfo/english/chrono1999_12.html.

²⁴⁶ *Helsingin Sanomat*, 5 September 2000.

²⁴⁷ *Helsingin Sanomat*, 9 September 2000.

²⁴⁸ *Helsingin Sanomat*, 26 September 2000.

enlargement. They do not question this enlargement. But its consequences are a source of worry for those in France who consider that it implies a “change in nature” with regard to the original European project. Hence there is a temptation to come back to a “small Europe” since it is perceived as more compatible with far reaching integration. Witness the hopes the government seems to place in more flexible provisions on closer cooperation. The idea of a European constitution, as launched by Mr Jacques Chirac, could also be viewed as a means for selecting a certain number of States ready to partake fully in European integration. Nevertheless, the single currency experience would rather lead one to believe that any vanguard creates such an appeal that the emergence of small groups is highly unlikely. However this may be, the fact that France holds the presidency of the Union has “frozen” the debate. Priority is being given to concluding an agreement within the current Intergovernmental Conference, considered as a prerequisite for enlargement. At the same time, the French leaders appear to be aware that, even with a “good agreement”, certain problems will remain when it comes to a Union of 30 Member States. The debate over the future of Europe may thus resume next year, after the French presidency. As the before mentioned surveys showed, the idea of a European constitution was relatively well received in France, even though its characteristics have not been specified yet. The Jacques Chirac’s speech does raise more questions than brings answers. But the debate has been launched and should be pursued.

Germany

There is still a consensus among the political elite on the imperative and benefits of enlargement in political and economic terms. The interview of Commissioner Verheugen on the need to win public opinion for the project of enlargement shook up the political class so that for some days the issue reached the domestic politics arena.²⁴⁹ While the topic will

²⁴⁹ Cf. Gernot Erler, *Stolpersteine auf Europas Weg in die Zukunft*, *Frankfurter Rundschau*, 7 September 2000.

certainly become more controversial with regard to concrete and technical problems it will probably not figure as an issue of the election campaigns in 2002.

Polls published in Germany by Allensbach show that basically citizens support enlargement, because "they, the countries of Central and Eastern Europe, are Europeans". However, 54% think that the EU will become weaker if Poland, Hungary and the Czech Republic will join.²⁵⁰ Contradictory statements with regard to the support of specific measures or of general goals of the integration process are quite common.

Eurobarometer polls reveal a more sceptic attitude of citizens in Germany, saying that only 34% are pro enlargement. However, this figure indicates only the average support of membership for the 13 candidates and thus tells us more about national stereotypes than about the support for the project of enlargement as such.²⁵¹

Greece

The centrality of "Europe" to Greek political life and to the orientations adopted by the political system of Greece in international relations seems to have reached its zenith when, at Helsinki, the highest-priority national security interests (at least, the interests perceived in Greece as such: i.e. the uneasy relationship with Turkey and the festering Cyprus issue) have been approached under the context of EU-Turkish relations.

After the growing financial benefits of EU-participation of two decades, after the success story of last-minute entry to third-stage EMU and following growing popular identification with "Europe", the fact that a European process – i.e. enlargement – was seen instrumental

to vital Greek concerns has brought "Europe" to the very heart of political equilibria. This has an upside: cementing Greece to the E.U. construction, with a potential role of Euro locomotive in South-Eastern Europe. It would be unwise to neglect the downside: were the solutions (or the help to such solutions) to be less than forthcoming on the part of Europe, then a shift in Greek public opinion should not be ruled out. Through a domino effect, positive Greek positions on enlargement could turn negative.

Ireland

The decisions on differentiation and on Turkey were widely welcomed.

Italy

Italy has always been one of the most active EU members in the field of institutional reforms and enlargement because of the widespread belief that enlargement is fundamentally a process of propagation of economic and political values, therefore, an "ineluctable" event.²⁵² As was to be expected, the Helsinki summit renewed public debate on these items. In particular, the Italian press started to report frequently, and in a very positive way, on important questions concerning the next IGC and its agenda, and the effect of enlargement on the future of the European Union. To date, this internal debate has been only among political or academic experts, while it should involve the broader public opinion.²⁵³ The government, in fact, has still not organized information campaigns on issues related to the admission of new members in the EU. This initiative could be useful to let the people know about the internal situation of the states that will join the EU.²⁵⁴ In Italian financial and industrial

²⁵⁰ Cf. Elisabeth Noelle-Neumann, *Europa – kein Thema. Die Deutschen haben sich auf Resignation eingestellt*, Frankfurter Allgemeine Zeitung, 10 May 2000.

²⁵¹ Cf. European Commission, *Eurobarometer. Public opinion in the European Union*, Report Number 53, Brussels, October 2000, p. 55 (http://europa.eu.int/comm/dg10/epo/eb/eb53/eb53_en.pdf).

²⁵² "The current question is just: <How and when?>", Interviews with Italian officials, October 2000.

²⁵³ Stefano Micossi, "UE alla ricerca del consenso perduto", *Il Sole 24 Ore*, 27 September 2000.

²⁵⁴ Interviews with Italian officials, October 2000.

areas there is already a good deal of information, with lots of projections toward Central and Eastern Europe, but a more in-depth reflection on the practical aspects of enlargement on the difficulties that could arise in the future is required. On the whole, Italians remain the most "Europhile" nation²⁵⁵, but public opinion should be better informed on what the long-term plans for an enlarged Union are and what positive implications this eastward expansion could have on Italian internal life.

It should be underlined, however, that the Italian Foreign Affairs Ministry is carrying out an important initiative, aimed at promoting closer collaboration among the various internal administrations on European matters and addressing the questions related to the negotiation talks and the difficult chapters.²⁵⁶ A task force, made up of the General Directors and Diplomatic Advisers of the Italian ministries involved with European activities, has been created to weigh the real impact of the enlargement process on the Italian economy. The initiative should contribute to protecting Italian interests within European institutions more effectively. But the positive effects of such collaboration will also lead to increased visibility in Europe and more widespread knowledge of European issues in Italy.

Netherlands

As was mentioned in the previous issue of the Enlargement Watch, there exists a striking contrast in The Netherlands between on the one hand the government's policy, which gives the enlargement a prominent place on the political agenda, and on the other hand the lack of

debate among the public opinion.²⁵⁷ For most Dutch citizens, the enlargement process is not a subject that attracts their attention very often. In the last few months, members of the cabinet have repeatedly emphasised the need to involve the citizens in the enlargement project. This policy reflects the fear of the political elite that the enlargement project lacks sufficient democratic support.²⁵⁸

In order to increase the awareness of the general public regarding the enlargement and to inform them about the project and its consequences, the Ministry of Foreign Affairs has started an ambitious information campaign that will take place in the period until the enlargement.²⁵⁹ A remarkable aspect of the campaign, at least for the first year, is that it does not use the traditional approach of informing the public by brochures and television-spots. The activities include the publication of e-mail newsletters, the presentation of members of government in the media, guest lectures by ministers at universities and the circulation of study materials at primary schools. Special attention is moreover paid to the exchange of information and viewpoints between people from the candidate countries and from The Netherlands and other EU member states. Internet will be the primary instrument for spreading the information.²⁶⁰ A special "enlargement train" filled with politicians, journalists and students, was riding through the country at Schuman's day (9 May). This event gave occasion to a number of rather sceptical newspaper articles in which the effect of the unusual campaign method was questioned.²⁶¹

²⁵⁵ "Italian Europhilia Wanes", *International Herald Tribune - Italy Daily* - , 27 September 2000. According to a report, based on a poll conducted by Gallup on behalf of the EC, 60 percent of italians feel that membership is a good thing, while 81 percent of those polled support the euro. But only 30 percent believe today that enlargement of EU is a priority, probably because they don't know yet what it could mean for Europe and for Italy in terms of prosperity, stability and peace.

²⁵⁶ "Una Task-force per valutare i riflessi italiani", *Il Sole 24 Ore*, 27 September 2000.

²⁵⁷ Question 12, p. 110.

²⁵⁸ At the same time, the newspapers have paid relatively much attention to the growing resistance among politicians and citizens in the candidate countries against the way in which they are treated by the European Union.

²⁵⁹ "Activiteiten voorlichting uitbreiding Europese Unie", published at the internet-site of the Ministry of Foreign Affairs: <http://www.minbz.nl>.

²⁶⁰ The official internet-site gives a good impression of the scope of the campaign: <http://www.europa-interactief.nl>.

²⁶¹ "Europa-express steunend naar de einder" (Europe-express groaning to the horizon), in: *Financieel Dagblad*, 10 May 2000. Other articles were published in *Algemeen Dagblad*, 10 May 2000 and *de Volkskrant*, 10 May 2000.

The Ministry of Foreign Affairs also conducted a survey among 807 respondents about the enlargement in March 2000. The results show that 72% of the respondents had heard about the enlargement project. 67% think positively about the admittance of the candidate countries as new members of the EU (7% "very good", 41% "good", 19% "somewhat good").²⁶² The statement that the enlargement offers new opportunities because of the access to new markets was supported by 78% of the respondents. A slight majority (51% against 49%) does not agree that the enlargement should take place immediately because the candidates might otherwise fall back to authoritarian regimes. The Eurobarometer study carried out in Spring 2000 shows even a larger majority in The Netherlands with respondents who think that the welcoming of new member states should not be a priority.²⁶³ These data give support for the observation that the enlargement process itself is not under discussion in The Netherlands - it is even expected to offer economic advantage -, but that the government's preference for an ambitious time-table is not shared by public opinion.

Sweden

Much of the debate in Sweden this year has been centred around Joschka Fischer's proposal for a federal Europe and the Swedish Government's response, or lack of response, to that proposal.

In an article published in "Dagens Nyheter" in May, Olof Petersson, professor of Political Science and head of several well-known studies conducted by the "Studieförbundet Näringsliv och samhälle" (Center for Business and Policy Studies), accuses the Swedish Government of foul play in its EU policy. On one hand, the Swedish Government works for enlargement and openness, but on the other it opposes a thorough institutional reform that

would make the former possible. Instead, it opts for strengthening the intergovernmental axis of the E.U. system.²⁶⁴ After Mr Fischer's speech, the former cabinet member and ambassador, Carl Lidbom, added fuel to the debate by accusing the government of cowardice by dodging the debate on EUs' future.²⁶⁵

In a reply from Foreign Minister Anna Lindh, she argued that federalist proposals could be used by those who for different reasons wanted to delay the enlargement. Ms Lindh did point out that she did not accuse Mr Fischer of having such motives, but that others could use his proposal in such a way. Therefore, any constitutional discussion should be postponed until after the enlargement.²⁶⁶

Anders Wijkman, Member of the European Parliament for the Swedish Christian Democratic Party, comments on the statement by the Foreign Minister Anna Lindh referred to above as a disappointment, characterized by contentment and cautiousness. According to Mr Wijkman, the Foreign Minister tries to avoid the important and fundamental issues about the future of the European Union, the very questions that are now being discussed in continental Europe. Joschka Fischer's proposal was, for example, outrightly turned down by the Prime Minister, he notes with disappointment. Wijkman argues that the difficult questions of central importance to a (successful) implementation of the enlargement can not be solved "step by step" as Foreign Minister Anna Lindh sees as most fit. Instead, a distinct vision of the future has to be put forward. For example, the EU budget and its relation to CAP has to be discussed immediately and thoroughly - otherwise the enlargement process is at risk. But debate about budgetary issues are totally absent in Sweden, Wijkman notes.²⁶⁷

Sverker Gustavsson, professor of Political Science at Uppsala University, writes in view of Chirac's speech in Berlin that it puts Sweden in somewhat of a dilemma. In the speech, Chirac outlined a development in three steps, of which the present IGC is the first. The second step would be negotiations with the candidate countries and, simultaneously, closer cooperation between a "pioneer" group of states.

²⁶² In the question, 13 candidates were mentioned, including Turkey.

²⁶³ 57% thought the welcoming of new member countries should not be a priority, against 32% who considered it a priority. *Eurobarometer no. 53*, Spring 2000, question 7.

²⁶⁴ *Dagens Nyheter*, 9 May 2000.

²⁶⁵ *Dagens Nyheter*, 24 May 2000.

²⁶⁶ *Dagens Nyheter*, 4 June 2000.

²⁶⁷ *Dagens Nyheter*, 7 June 2000.

The third step would imply a complete European constitution. Firstly, these ideas for the future hardly makes the Nice negotiations any easier, which could mean that the Swedish Presidency gets stuck with an unfinished IGC (and a halted enlargement process). Secondly, if the Nice-summit succeeds, the question for Sweden will be if it is supposed to continue along Chiracs plan (with step two) or oppose it.²⁶⁸

Recently, Prime Minister Persson has added his own vision about Europe's future to the debate. This vision is very different from the afore-mentioned. Persson said that there is "a sort of democratic deficit" in the Commission and in the long term "I think we will move forward to accept a model with a better connection to the national democratic systems". Therefore, the Council of Ministers should be strengthened. That is where "the best and nearest connections to the EU citizens is found, since that is where the national governments are represented". The Prime Minister went on saying and "in a longer perspective, the functions of the Council Secretariat and the Commission might integrate."²⁶⁹

United Kingdom

As mentioned in the previous edition, debate on the Helsinki Summit concentrated on the ban on British beef and the withholding tax – inflammatory issues for many. Almost a year on, these issues are almost a memory, and Helsinki is now known primarily for its decisions on enlargement.

This is not atypical of the debate in Britain. Issues controversial in the short term receive a lot of critical media coverage clouding the debate surrounding the big picture. As such enlargement still barely registers in public debate. The UK has to resolve the question of its destiny in the European Union before these issues receive the attention they deserve.

²⁶⁸ Dagens Nyheter, 26 July 2000.

²⁶⁹ Speech at "Klubb Norden", 5 October 2000.

ANALYTICAL SURVEY BY APPLICANT COUNTRIES
(Czech Republic, Hungary, Poland, Slovenia)

1. What are the positions of the government, political parties and pressure groups in your country on the terms or the concrete scenarios for accession? Please refer to the following problems:

- **Time frame: Should the Nice summit set a date for the conclusion of negotiations and if so which date?**
- **Differentiation: How many (and which) countries is your government presently picturing as part of the first round? Shall countries of the "Helsinki-group" be included in the first wave? Shall Croatia be added to the list of applicants?**
- **Terms of accession: Which claims and ideas exist in view of the substance and length of derogations in the "difficult chapters" (e.g. CAP, free movement, regional policy, environment, transport, Schengen acquis)?**
- **How does Turkey figure in this picture?**

Czech Republic

Time frame

On the meeting of ministers of foreign affairs of the candidate countries from the Luxembourg group in Ljubljana in June 2000 and on the meeting of prime ministers of Visegrad-4 group in Prague in June 2000, it was decided that these countries would require from the EU the setting of a scenario of the future course of the enlargement process including the methodology of accession negotiations. The Czech government is aware of the fact that setting of the date of accession already at the Nice summit is not very realistic. It only believes that in an ideal case, there could be set in Nice the date of the conclusion of negotiations for the best prepared candidate countries. However, the Czech Republic would like to see a certain perspective. The negotiations have entered a new stage and this requires a change of methodology of accession negotiations. The setting of a date is something which would give the negotiations a clear direction. For this reason,

the Czech government hopes that during the Swedish presidency which will most likely consider the question of EU enlargement as the highest priority, the summit in Göteborg in June 2001 could become a place where a date of accession will be announced. The CR believes that it is possible to conclude negotiations by the end of 2001 or very early in 2002.

Differentiation

From the point of view of the Czech government, the principle of differentiation is one of the fundamental principles of the accession negotiations. The position of the CR is based on the commitments of the EU from Luxembourg and Helsinki about the principle of differentiation and the need to evaluate the candidate countries according to their "homework" and internal preparedness. It is not up to the CR to judge who will be in the first wave of enlargement. The Czech government sees the situation according to the way "the cards" were distributed in Luxembourg and Helsinki - in this respect, the CR is part of the so-called Luxembourg group. It is important to mention the mutual cooperation of the countries from this group on the level of chief negotiators which has existed already for two years. The ministers of foreign affairs of all these countries have already met twice. In November such a meeting is planned in Budapest. As far as Croatia is concerned, the Czech government considers as important the perspective of the EU which would be open to new members in the future. At the same time, it is aware of the establishment of a new type of relations of the EU with the Balkan countries based on the so-called Association and Stabilization Agreements.

Terms of accession

As far as the chapter on agriculture is concerned, the CR requests transitory periods in the veterinary area (carrying out of border controls, for the lower capacity of slaughterhouses than in the EU, protection of animals for experimental and other scientific purposes) and in the sector of wine.

As concerns the free movement of capital, transitory period for acquisition of the so-called secondary residences and agricultural As concerns the free movement of capital,

transitory period for acquisition of the so-called secondary residences and agricultural land and forests by foreigners. At the same time, the CR asks for a transitory period for the preservation of all the present restrictions in relation to the non-member countries of EU. The reason for this request is namely the considerable difference in real estate prices and incomes of the population between the CR and EU, or Austria and Germany, and the related concerns of the Czech public. As to the free movement of persons, further to the request in the chapter "Free Movement of Capital", the CR requests a transitory period for the acquisition of the so-called secondary residence (flats, houses, etc.) by migrant workers who do not reside permanently in the CR territory.

The CR is not asking for any transitional period nor derogation, as far as regional policy is concerned.

Legal, institutional and economic studies have indicated that current Czech legislation is not fully harmonised with EC legislation in some areas of the environmental *acquis communautaire*. Although most obligations will be met by the reference date for EU accession, including the necessary administrative provisions, problems remain in the areas of waste management, water quality, nature protection and industrial pollution control. The CR therefore recommends that the chapter on environment be left open and requests negotiations on transition periods in the following directives:

Directive on packaging and packaging waste - a transition period to 31.12.2005 is requested for achieving the target values for recovery and recycling of packaging;

Directive on urban waste water treatment - for implementation in practice of the requirements for wastewater treatment for agglomerations between 2 000 and 10 000 p.e. and for introduction of more stringent level of treatment required for wastewater treatment plants in sensitive areas, a transition period is requested to 31.12.2010;

Directive on the protection of waters against pollution caused by nitrates from agricultural sources - a transition period to 31.12.2006 is requested for implementation of this directive concerning the introduction of required measures in the agricultural sector;

Directives on pollution caused by certain dangerous substances discharged into the aquatic environment - a transition period to 31.12.2008 is requested for the implementation of the requirements of the directives for mercury, cadmium, tetrachloromethane, hexachlorobenzene, hexachlorobutadiene, dichloroethane, perchloroethylene and trichlorobenzene;

Directive on the quality of water intended for human consumption - transition period is requested to 31.12.2006 for attainment of limits for the content of dichloroethane, vinyl chloride, pesticides and *Clostridium perfringens*;

Directive on the conservation of natural habitats and of wild fauna and flora - a transition period is requested to 31.12.2005, for a list of proposed special areas of conservation (SAC) for inclusion in the Natura 2000 network;

Directive on integrated pollution prevention and control - for implementation of the provisions of the directive for existing facilities, a transition period for 5 years after 2007 is requested, i.e. to 30.10.2012. For the installations requesting construction permit after 1.1.2003, the directive will be fully implemented by the date of accession.

As far as transport policy is concerned, the CR requests no transition period in the scope of this chapter. It is, however, expected that a Protocol to the Act on admission of the CR to the EU will be adopted, as was the practice within the latest EU enlargement, to apply only to road, railway and combined transport and to reflect the aspects of environmental protection in the CR as a transit country.

As concerns the Schengen *acquis*, the CR requests a transitory period until 2005 for the technical safety of the Ruzyně airport in such a way that it would correspond to the Schengen security standards.

Turkey

According to the Czech government, Turkey should have a right to become a regular full member of the EU after it fulfills all the Copenhagen criteria, the same as all the other candidate countries. There is no reason for some kind of a special treatment.

Hungary²⁷⁰

Hungary is aware that setting an official target date for the conclusion of ongoing accession negotiations is not on the agenda of the Nice summit, since the French presidency is not so much concerned with enlargement itself but rather with internal reforms of the EU necessary for enlargement. More realistic would be to expect the presidency to indicate a kind of „road map” for the timing of accession events in the near future. In any case, Hungary is prepared to conclude negotiations by the end of 2001 and expects the Swedish presidency to indicate concrete dates. Nevertheless, it can happen that negotiations on „hard core” dossiers will continue in 2002. Thus Hungary deems it feasible to sign the accession treaty in January 2003.

In Hungary a wide political consensus exists as regards the country's interest to join the EU as soon as possible. As it is stated by the 6 parliamentary parties and the government in their joint declaration of September 2000²⁷¹ the basic interest of the Hungarian Republic is to accede to the EU at the earliest possible date and under the most favorable conditions the country can achieve. Hungary is committed to get prepared for accession by the end of 2002 „in all areas where no transition periods are requested” and expects that the EU will create the internal preconditions for enlargement by that time too (as indicated in Helsinki).

As regards differentiation the mentioned declaration states: „It is the essential precondition of the accession to meet entirely the Copenhagen criteria. Progress at the accession negotiations should depend only on the individual performance of the applicants. The European Union should conclude the negotiations with the most prepared countries as soon as possible so that they can accede at the first possible date.”

Hungary supports the acceleration of the accession process with Slovakia (especially since the revival of the Visegrad cooperation) as well as with Lithuania and Latvia. Hungary

also welcomes the association of Croatia to the EU via the so-called the Stability and Association Agreement. Turkey might become a member of the EU one day: it is up to present member states to decide. Having said that, Hungary is of the opinion that the whole accession process should be led according to individual merits and the most advanced candidates should not be forced to wait for the less prepared.

At the accession negotiations between Hungary and the European Union all of the 29 *acquis* chapters were opened by September 2000, of which 11 were closed successfully (temporary closure) and according to plans further chapters such as energy, social policy or media can be closed under the French presidency. Nevertheless, some hard core chapters could be deemed to be opened only officially, without starting real negotiations on them. These chapters are: agriculture, regional/structural policy, free movement of people, justice and home affairs (with Schengen) and the budget (budgetary contribution of Hungary as a member). On these chapters, excluding the budget, the Hungarian government already tabled its positions it is now up to the member states to hammer out a joint position on them.

The position of Hungary²⁷² concerning the most sensitive issues can be summarized briefly as follows. Hungary wishes to become a full member of the Common Agricultural Policy especially as regards direct compensation payments for farmers in order to ensure equal chances for national producers on the Internal Market. According to estimates this sum could amount to 1,3-1,4 bn. euros annually. Even if the EU will not agree to yield the total payments Hungary would like to achieve that the EU acknowledge the principle of full CAP membership. The production quota assigned to Hungary are still under discussion, and there exists a range of technical claims for transition periods lasting until 2009 the latest.

Regarding regional policy the relevant Hungarian law established 7 regions at NUTS II level of which six will surely fall under Objective 1 according to present rules of the Structural Funds. In case of full membership Hungary

²⁷⁰ Sources: interview with prominent diplomats of the Hungarian Ministry of Foreign Affairs; website of the MFA: <http://www.mfa.gov.hu>; Hungarian newspapers, periodicals.

²⁷¹ See <http://www.mfa.gov.hu/Szovivoi/2000/09/spok0911.htm>.

²⁷² See <http://www.mfa.gov.hu/euanyag/SZI/Allaspont/positionpapers.htm>.

would benefit from some 2,2 bn. euros annually, or some 220 euros/capita. Hungary will also be eligible for the Cohesion Fund and by the time of accession the government will dispose of the necessary convergence program. Hungary accepts the limit of 4%/GDP regarding maximum allocations for regional development purposes and after membership a kind of „phasing in” is likely.

Hungary is doing all efforts to build up the necessary institutional infrastructure for the above two Community policies.

Regarding free movement of capital Hungary is asking for a 10 years transitional period on buying or leasing agricultural land as well as nature conservation areas, and 5 years transitional period for acquiring real estate in Hungary by EU citizens. The sudden liberalization of short-term operations in HUF might be problematic: this could be eased by a transition period too.

Under the chapter on environment protection Hungary submitted more than ten transitional requirements among which are the management of urban wastes (until 2015), water pollution standards for existing industrial plants or noise from airplanes. In the field of transport the main challenge is the liberalization of services. Here Hungary is asking for two transitional periods: free access to air carriers after 2005 and liberalization of road haulage services after 2006. The Hungarian Railway Company also needs a longer adjustment period to competitive environment.

Under the chapter on taxation Hungary submitted some claims for transitional periods too. For domestic heating with coal and fuel Hungary would like to keep the 12% VAT and the same rate should be kept for foodstuffs served in canteens, for transport of goods and for storage of goods. A withholding tax of maximum 20% for parent companies and subsidiaries should be valid 5 years after accession.

And finally, as regards free movement of persons: this is an area where Hungary did not ask for any special arrangements but the EU is likely to introduce some after enlargement. Until October 2000 the position of the EU concerning free movement of persons and Schengen is not yet clear.

Of course the negotiation process is a bargaining process. During the negotiations Hungary

already withdrew a lot of initial derogation claims and by now the number of Community rules for which our country wishes to get transitional periods is reduced to some 40.

Poland

The process of developing the negotiation positions ended in December 1999, following the completion of the screening process that took place in November 1999. The Prime Minister of Poland took the decision to make the contents of the negotiation positions presented to the EU open to the public. This decision was derived from the fundamental need of securing greater transparency and openness of the negotiation process on the conditions of Poland's membership in the EU.

Poland presented the position covering the entirety of the *acquis communautaire*, excluding the questions of Poland's participation in European Unions institutions as these issues will be negotiated after the internal reforms to be carried out by the EU.

Negotiations are conducted in stages: after presentation of the Common Positions by the EU the negotiation process is being open in subsequent chapters and in those that do not pose problems gradually closed.

By the end of October 2000 the following negotiation chapters were closed: Small and Medium-Sized Enterprises; Education, Vocational Training and Youth; Science and Research; Telecommunications and Information Technologies; Industrial Policy; Consumers and Health Protection; Statistics; Financial Control; Economic and Monetary Union; External Relations; Common Foreign and Security Policy.

During the last stage the most difficult chapters will be negotiated, the chapters in which Poland will search together with the EU for a consensus regarding the interim periods and other special solutions requested by Poland. The Polish side perceives it as necessary and possible to speed up the accession negotiation process, assuming the date of 31 December 2002 as the time of Poland's readiness for membership in the EU.

The negotiations should end in 2001 so that the ratification of the Accession Treaty and accession of Poland would be possible on 1 January 2003. Our view is that the parallel ratification of the Accession Treaty and the Nice Treaty is possible.

While negotiating the condition of membership in the EU Poland treats the *acquis* extremely seriously and declares that it fully accepts and will implement in full the entirety of the *acquis*, except certain derogations in some negotiation fields, which Poland wishes to negotiate and which amount to about 5% of the *acquis*. Poland wishes to negotiate certain interim periods in the following areas: Free Movement of Capital – in the part regarding the purchase of real estates in Poland and those regarding the possibility of investment in air transport sector.

Poland requests for establishment of the interim periods starting from the date of accession: 5 years for real estate for investment purposes; 18 years for agricultural and woodland real estate.

The request for the above-mentioned interim periods results from the specific political and social conditions. With regard to transport policy - in the air transport sector - Poland applies for a 3-year-long interim period (till 31 December 2005) for licensing of air carriers and access for Community carriers to intra-Community air routes.

The requested interim periods are justified by the need to protect Polish air carriers and to ensure that their position does not deteriorate. They are as well related to the process of privatisation of the main Polish air carrier LOT Polish Airlines that is going to be completed by the end of 2005.

We experience particularly difficult negotiations in the field of agriculture. Poland applies for Polish agriculture to be covered fully with the mechanisms of the CAP, for being granted production limits level that takes into account the natural potential for environment friendly agricultural production and ensuring maintenance of stable income sources for agricultural population as well as inclusion of the Polish agri-food products market into the Single European Market.

The Polish side takes the position that during the negotiation process it will be possible to work out common solutions so as to secure the

participation of Polish farmers in benefits provided by price, income and structural mechanisms. Moreover Polish farmers should be included after accession in the direct payment mechanism resulting from the *acquis*.

Poland has been carrying out an intensive preparatory process towards the participation in the CAP, implementing administrative and institutional adjustment measure given the fact that potential limits in the access for Polish farmers to full range of CAP instruments would imply serious deterioration of their position with regard to competition, which – in turn – would undermine the rules of the Single Market. Therefore Poland regards adoption of the CAP - being one of the pillars of the *acquis communautaire* – as a very important condition of EU membership.

Currently, the most important question is still the pace of the accession negotiation process and still undefined date of accession of new members. The changes in these questions seems necessary for the enlargement to be effective from 2003.

*Slovenia*²⁷³

As for setting a date for conclusion of the accession negotiations at the Nice summit, the Slovenian respondents (the Government and the Political Parties) share the view that the Heads of States and Governments should indeed determine the date. In their opinion, the most appropriate time would be a period between 2003 and 2005. Namely, Slovenia has officially indicated that it wants to conclude the negotiations by the end of 2001 and that it expects to become full member of the European Union (EU) on January 1, 2003. In this respect, the Slovenian respondents emphasize that the setting of an exact date for a conclusion of the negotiations would strongly stimu-

²⁷³ Information was provided by members of the Narrower Negotiating Group, officials from the Ministry of Foreign Affairs, members of the Executive Committee, the New Slovenia – Slovenian Christian Peoples' Party, the Social Democratic Party of Slovenia, and the Executive Committee, SLS + SKD Slovenian Peoples' Party.

late the process of adoption of the EU standards in the applicant countries as well as animate citizens of the existing member states for the enlargement project. In addition, a setting of an exact date would confirm a political credibility of the EU. On the other hand, a failure of the Nice summit at this important point would likely cause disappointment in the applicant countries which, in turn, might provoke political tensions in the Central and Eastern Europe. Last but not least, the Slovenian respondents stress that the EU should define a clear and unambiguous criteria for the first round of enlargement in order to elude subjectivity of any kind of decision taken exclusively on a political basis.

As far as the first round of enlargement is concerned, the Slovenian Government as well as the Political Parties unanimously and determiningly point out that the first group of new members should be selected exclusively on the basis of their fulfilment of the criteria officially set by the EU. In other words, there should not be any kind of a politically motivated selection. Moreover, no group 'keys' should be applied. Consequently, such a objective selection would allow members of the Luxembourg group as well as the Helsinki group to qualify for the first wave of enlargement as the only relevant criteria would be their progress in adoption of the EU standards. One of the Slovenian Political Parties argues that at this moment Hungary, Estonia, and Slovenia are perhaps the most prepared applicants.

As regards Croatia, unanimity exists that Slovenia's neighbour state should be placed to the list of applicants. Some respondents stress that in economic terms Croatia is at least comparable to Romania and Bulgaria which have started to negotiate already. Generally speaking, the Slovenian Government adamantly supports inclusion of Croatia into the Euro-Atlantic integrations, i. e. the EU and NATO.

As for derogations, the Slovenian Government has been emphasizing that in principle Slovenia has been determined to adopt the *acquis communautaire* in its entirety, i. e. not to seek any derogations from the EU legislation. However, there are some aspects where from the Slovenia's point of view some permanent exceptions or transitional periods are necessary. Thus, Slovenia has been seeking permanent

exceptions or transitional periods in the following chapters: Free movement of goods (one permanent exception and one transitional period), Free movement of services (two transitional periods), Agriculture (twelve permanent exceptions and eight transitional periods), Taxes (two permanent exceptions and two transitional periods), Social Policy and Employment (one transitional period), Energy (one transitional period), and Financing and Budget (one transitional period). One has to stress that derogations in those fields are so important for Slovenia that for the Slovenian negotiators it will be extremely difficult to yield. Nevertheless, Slovenian authorities will be willing to drop some demands if additional explanations will be given by the EU or their own analyses will allow them to do so.

As far as Turkey is concerned, the Slovenian respondents think that before starting the accession negotiations Ankara has to meet the political requirements (respect of human rights, the rule of law, proper functioning of the justice system) as well as the economic demands set forth at the Helsinki summit in December 1999.

2. What is the relation between the ongoing IGC and the pace and terms of enlargement

- from the point of view of your country's government?
- from the point of view of the opposition?
- as discussed in public opinion/ academia?

Are proposals for a new IGC under discussion?

What is the attitude at this time towards the need to draw up a European constitution?

Czech Republic

Government

The position of the Czech government is based on what was said during the European Council in Helsinki, i.e. that the EU should be prepared for enlargement starting the end of 2002. This commitment fully corresponds with the timing of the internal preparations of the CR and the date of 1st January 2003 at which the country should be ready for accession. This is also the target date of the Czech Ministry of Foreign Affairs. The government believes that the EU member countries will be able to do some compromises at the Nice summit which will enable to conclude the intergovernmental conference on institutional reform. The failure of this conference would not only do damage to the enlargement process but would also put in doubt the credibility of the EU itself.

Opposition

Although the leaders of the Civic Democratic Party (ODS) say that there is no alternative to the CR's membership in the EU, Vaclav Klaus, the chairman of both ODS and the Chamber of Deputies of the Czech Parliament said during his recent visit to Austria that in reality the EU is not interested in its enlargement, and Jan Zahradil, the ODS "shadow foreign minister" said that the CR should be prepared also for other alternatives than the membership in the EU.

Public opinion/academia

In the Czech academic circles, there prevails the opinion that the year 2003 is unrealistic as the date of the CR's accession to the EU. The year 2005 is seen as a much more realistic term. The Czech specialists in European studies fear that it will be very difficult to reach a consensus at the Nice summit and this fact could negatively influence the whole enlargement process. The opinion that the next wave of enlargement is likely to take place around 2010 or even later, is not very uncommon in the academic circles.

Proposals for a new IGC

The Czech Republic is not an EU member country and therefore cannot influence the agenda of the next IGC. It is expected that the agenda of the next IGC could consist of the following issues: 1) delimitation of competencies according to the principle of subsidiarity on the line Brussels-country-region (this issue is narrowly connected with the future European constitution); 2) the question whether the Charter of Fundamental Rights of the European Union should have a legally binding character, i.e. whether it should be part of the fundamental treaties; 3) the problem of reorganization of the treaties in the direction of their simplification - they should become more understandable to the general public; 4) problems related to the Common Foreign and Security Policy; 5) possible Nice left-overs. The CR is observing carefully the discussion and notices the consensus on the need of a new IGC. Given the fact that the next IGC will probably take place in 2004, the CR would like to participate in it already as a member state.

Attitudes towards the need to draw up a European constitution

So far there has not been too much discussion on this issue in the CR. However, it is a well known fact that President Vaclav Havel is strongly in favour of a European constitution.

Hungary

IGC and enlargement

There is a wide consensus in Hungary (among political parties, academics, etc.) that the country is interested in a successful conclusion of the Nice summit and the signature of the Nice Treaty in December 2000. There shall be no left overs of Nice and the new IGC on drawing up a European Constitution should not be any more the precondition for enlargement. In the long run it can be expected that Hungary will be a pro-federalist country which would make all efforts to join the „closer cooperating” countries and would become an ally of these member states in the debate on the EU model.

Slovenia

When it comes to relation between the ongoing Intergovernmental Conference (IGC) and the pace and terms of enlargement, the Slovenian Government believes that those two issues are inherently and decisively interrelated. In other words, successful conclusion of the negotiations on the institutional reform within the IGC is a precondition for any kind of enlargement to the East. In this respect, the essential negotiating questions are reponderation of the voting weight in the Council of Ministers, composition of the Commission and number of Commissioners, possible extension of the qualified majority voting in the Council of Ministers, and enhanced co-operation which was added to the IGC topics at the informal summit in Feira on June 20, 2000. Moreover, a successful implementation of the accession scenario which has been planned by the European Commission depends on fruitful conclusion of the IGC. In the Slovenian Government's opinion, a strong political will of the existing member states of the EU is needed in order to set up a strict schedule of the preaccession activities, which would eventually lead to the full membership of the applicants. By setting up such a schedule the EU would clearly show its credibility. According to the Slovenian Government's plan Slovenia should conclude the negotiations by the end of 2001 and become full member at the beginning of 2003. In between the two dates the accession agreement would have to be drawn up and its ratification by the existing member states obtained. Thus, the Slovenian authorities expect that concerning the ratification process accelerated dynamics will take place and thus enable Slovenia to attain full membership as soon as possible. The Slovenian Political Parties acknowledge close relation between the ongoing IGC and the whole process of enlargement as well.

One may say that the Slovenian public can hardly understand very complex topics which are under discussion at the IGC and their importance for possible enlargement. Although Slovenian serious media have been given due attention to this important question wider public has not been aware of relation between the IGC and the process of enlargement. Namely, public's attention has been primarily directed towards costs-benefits analyses of possible

membership, which is quite understandable since this aspect will affect it more directly. In the academic community's opinion, the EU must successfully conclude its internal (institutional) reform in order to be ready for enlargement. However, the task is extremely difficult as there is substantial disagreement between the larger and the smaller member states. While the former would like to strengthen their allegedly disproportionate role, the latter do not want to lose their acquired influence. As for enhanced co-operation, there is a fear that such a system might cause a split up of the EU membership into first and second class members which would likely put new members in unequal position as soon as they join the club.

Attitudes towards the need to draw up a European constitution

As to the need to draw up a European Constitution, the Slovenian Government points out that three important aspects should be taken into consideration. First, in a way, the existing treaties on which the EU is based can be regarded as Constitutions as they contain provisions of constitutional nature. Therefore, a question arises whether a new, separate, and general legal act is needed. However, it is true that the existing treaties are extremely complex and due to this fact new, simplified general act is highly desirable. Second, there is a question about a level of legitimacy of a possible European Constitution since citizens of the existing member states are still very heterogeneous and they primarily identify with their national states. Finally, adoption of a European Constitution would somewhat imply establishment of European Federation which would be contentious for the Slovenian public since it has had negative experience with the former Yugoslav Federation. The Slovenian Political Parties have different opinions about the issue. The Social Democratic Party stresses that adoption of a paramount legal act depends on essential decision whether to seek further deepening of the European integration in order to achieve ever closer Union or not. The New Slovenia Party is highly sceptical about a possibility to draw up a more elaborate legal act since one can hardly expect that fifteen member states can reach agreement on such a sensitive issue. The Slovenian Peoples' Party points out that a

European Constitution should be adopted only after enlargement of the EU will take place in order to allow new member states participation in its drafting.

3. Which positions can be identified in your country as to the costs of enlargement? Is the agenda 2000 as agreed in Berlin sufficient or does it need a revision/correction? Have positions on crucial agenda 2000 items (e.g. national co-financing of CAP, concentration of regional funds, general correction mechanism own resources etc.) changed in your country compared to the situation at the Berlin summit in March 1999?

Please refer to:

- **Ceiling of 1,27% of GNP for the EU budget 2000-2006. What shall happen with funds indicated for enlargement but probably not spent in 2002/03? Reform proposals/ financial framework for the period after 2006: Shall the ceiling of 1,27% GNP be continued?**
- **CAP: Direct payments for new CEEC members? Upgrading of SAPARD?**
- **Regional policy: Additional instruments/objectives to address specific needs of CEEC-candidates and more money needed?**

Czech Republic

The Czech government considers the agenda 2000 as agreed in Berlin in March 1999 as a "fait accompli" and its position on this issue has not changed since then. The government does not intend to question the ceiling of 1.27% of GNP for the EU budget 2000-2006. The CR does not object to the ceiling of 1.27% of GNP to be continued.

The CR requires direct payments wherever the *acquis communautaire* makes it possible. The CR is now waiting for the steps of the EU con-

cerning direct payments for the candidate countries. In order to be able to draw financial resources from the programme SAPARD for 2000 or to transfer them to the year 2001, two conditions have to be fulfilled - an approval of the Plan of Development of the Agriculture and the Countryside and signing of the Multi-year Financial Agreement. For the implementation of the programme, a third condition has to be fulfilled - the accreditation of the SAPARD agency. The Ministry of Agriculture estimates that the public is well prepared for the proposal of projects and expects a high number of projects which would be able to fully exploit the financial resources offered for the coming period.

At the moment, the CR demands neither additional instruments/objectives to address its specific needs nor more money (in the field of regional policy).

Hungary

Hungary respects the rate of 1,27% of GNP as a ceiling set for the EU budget until 2006 (and no national position exists regarding the financial framework after 2006). Hungary understands that the sums allocated for new member states from 2002 onwards could not be re-grouped and spent for other purposes than enlargement. As regards the pre-accession funds Hungary is now in the phase of institution building and drawing up regional and agricultural development strategies for receiving ISPA and SAPARD money. Since this funding system is very new and the flow of EU money via these two financial instruments has in practice not yet started, it is irrelevant to think of its changes (upgrading or increasing the sums available).

According to calculations Hungary is entitled to get 200-250 million euros on an annual basis to be used for institutional development (PHARE), agriculture and rural development (SAPARD) and environment protection and transport infrastructure (ISPA).

Poland

In general, the problem of the costs of enlargement should not be treated without considering the expected benefits. As the accession negotiations with the European Union progress, the demand for assessing both categories for Poland becomes bigger. Research on that is somehow in a vacuum until all conditions of Poland's membership are known, i.e. until the accession treaty has been signed. Nevertheless various experts have prepared many studies concerning this issue. They used all standard tools applied by the Western experts: CGE models, partial equilibrium models and macroeconomic models. It is worth stressing that so far all the studies saw the general balance of integration effects as positive.²⁷⁴ The research, however, did not reflect the official government assessment of integration effects. Some politicians considered this as a political mistake, so recently the Parliament obliged the Council of Ministers to prepare an extensive evaluation of various effects of integration with the EU. The report was ready by the end of July 2000 (it is available in Polish on: www.ukie.gov.pl). It showed that the benefits from integration should exceed the costs, which was not surprising. However, the specific estimates differed by a wide margin, for example the effect on the rate of growth might be anything between additional 0,2-1,7 percentage points, depending on conditions of the membership and the quality of internal policies assumed. The report's conclusions have not been put in doubt either by opposition parties or by other social forces: trade unions, business organisations and mass media, and this suggests that they probably have been accepted as fully reliable. In other words, no negative balance is expected.

Being more specific, the public opinion becomes more and more aware of the necessary costs of accession. They can be conveniently divided into the following categories²⁷⁵:

- General economic costs resulting from intensified market transformation, stimulated by Poland's accession to the single European market (increase in wages, appreciation of the zloty)
- Specific economic costs which have to be born immediately after accession in order to get access to the single European market (for example, costs of adopting technical standards, security norms etc)
- Specific economic costs that do not have to be born immediately after accession, because they are not required to get access to the single European market (for example, costs of environmental protection or of introducing more demanding social standards).
- Costs of adopting the EU policies (trade, competition etc)

Some of these costs will be paid mostly by the firms (from the 1 and 2 categories), some mostly by the budget (from the 4 category); some will have to be split between state and private funds (3 category). The proportions are of course not exactly known but it is certain for example, that some sectors will be much more burdened than the others (energy, steel, and coal). The budget (central and local) will pay huge portion of environmental costs resulting from improvements in communal services (water and sewage systems).

Present analyses and estimates of budgetary costs and benefits of enlargement are mostly based on Poland's Negotiation Position in the field of Financial and Budgetary Provisions²⁷⁶, adopted by the Council of Ministers in November 1999. It assumes that Poland, for a limited time, expects the application of an appropriate mechanism correcting the size of the payments to the EU budget, not worse than the one used during the last enlargement. This means that Poland should achieve the position of net beneficiary, from the first year of membership.

²⁷⁴ See: J. Gwierkocki - Empirical Tests of Poland's Integration with the EU, in: Comparative Economic Research Central and Eastern Europe, Volume 2 No. 1/1999 Łódź University Press, Łódź 1999, pp 93-108.

²⁷⁵ See: A. Mayhew, W.M. Orłowski – The Impact of EU Accession on Enterprise Adaptation and Institutional Development in the EU-Associated Countries in Central and Eastern Europe, European Bank for Reconstruction and Development, (mimeo) September 1998.

²⁷⁶ See: www.ukie.gov.pl/cona/snen/snen.htm.

According to Poland's position: "During the five – year transition period Poland's contribution should bear a reduced rate in accordance with the agreed upon corrective measures of a percentage contribution reduction following the below scheme: 2003 –90%, 2004 –70%, 2005 –50%, 2006 –30%, 2007 –10%, which will ensure the adequate relation between: expenses borne due to contributions to the EU general budget upon the accession, versus; actual level of the absorption of funds from the EU general budget benefiting Poland. As regards the system of EU own resources, Poland states that it accepts the methodology, rules and procedures for: identification of the sources of own resources; their calculation; collection and transfer to the EU general budget; monitoring and reporting".

In the above mentioned Council of Minister's report on the costs and benefits of integration, two variants of Poland's payments and receipts from the EU budget have been estimated (see table Ia and Ib):

Table Ia

Optimistic scenario (including reduced Poland's contribution to the EU budget), in millions EUR:

	2003	2004	2005	2006	2007
Potential financial transfers from EU to PL	4.964,22	6.096,80	7.525,19	8.874,23	?
Poland's contribution to the EU budget	-388,87	-1.050,65	-1.831,54	-2.746,50	-3.696,07
TOTAL	4.575,35	5.046,15	5.693,65	6.127,73	?
TOTAL (in %GDP)	2,22	2,25	2,33	2,3	?

Table Ib

Pessimistic scenario (including full Poland's contribution to the EU budget) in millions EUR:

	2003	2004	2005	2006	2007
Potential financial transfers from EU to PL	4.964,22	6.096,80	7.525,19	8.874,23	?
Poland's contribution to the EU budget	-3.068,85	-3.328,85	-3.623,85	-3.941,03	-4.100,00
TOTAL	1.895,37	2.767,95	3.901,34	4.933,20	?
TOTAL (in %GDP)	0,92	1,24	1,47	1,85	?

The receipts from the EU budget will exceed Poland's payments regardless of assumptions concerning demanded reductions in contributions. But these estimates assume that Poland will be able to absorb all available resources from the EU budget which is very unlikely, considering for example experiences of Spain²⁷⁷.

Until December 1999 it seemed that the six Luxembourg group states would compete for the funds provided in Financial Perspective 2000-2006, since then six more states joined. Therefore, from the economic point of view it is difficult to tell whether the funds allocated for enlargement are sufficient without knowing how many applicants will use the amounts indicated in the Financial Perspective, when the enlargement will take place and which countries will become first members. But economic analysis is not enough in the case of international integration. Speaking in political terms, the funds are certainly not sufficient for Poland.

²⁷⁷ E.Kawecka-Wyrzykowska estimated that Poland might receive 2,8-5,4 billion EUR net – depending on various assumptions– but, she argued, Poland's main problem lay rather in organisational ability to use these money in first years after accession than in insufficient amount of potential EU funding; See: Szacunek transferów z budżetu wspólnotowego do Polski po jej akcesji do UE, Wspólnoty Europejskie Nr 9 2000.

The Main Assumptions of Poland's Position Papers on Agriculture

Poland requests:

- *to be a full member of the CAP and fully participate in the mechanism of direct payments since the first day of accession (assumed on 1 January 2003);*
- *to receive the limits of agricultural production reflecting natural potential (including aspects of environmental protection), but simultaneously allowing for stable incomes for farmers;*

Formally, Poland does not apply for the transitional periods in the area of agriculture. Nevertheless, considering the interests of small farms, food-processing companies and local labour markets, she would like to obtain:

- *a transitional (2-3 years since accession) possibility of selling milk below Community standards on a domestic market;*
- *a derogation for producing and selling traditional regional Polish products like the ewe's cheese (bryndza) in the Polish market;*
- *a transitional (4 years since accession) permission to produce and sell meat below EU sanitary standards in the Polish market as well as to non-EU countries.*

Based on: E. Kawecka-Wyrzykowska, E. Synowiec, Integracja Polski z Uni¹ Europejsk¹, Raport IK-CiHZ, forthcoming.

The amount of money allocated for agriculture simply implies that after accession Polish farmers will not get direct payments constituting an important part of the CAP, what is totally inconsistent with the Polish expectations expressed in the position paper on Agriculture (see the main assumptions of Poland's position paper on Agriculture). According to the estimates in Poland direct payments would amount to c.a. 2,5-3 billion Euro per year.

The financial solution agreed in Berlin in regard to agriculture would be unacceptable in Poland for several reasons. First, these payments are considered by the agriculture lobby in Poland as a main benefit from integration with the EU. Without receiving them the farmers could say "no" in the referendum, and their attitudes cannot be ignored because ca 25% of the population makes the living from this sector of the economy. Second, the public opinion in Poland would regard the membership as secondary if Polish farmers are discriminated by not be applying to them an important tool of common policy. Such reasoning could also result in lower Euro-enthusiasm during the referendum. Third, it would be a dangerous precedent for the future, meaning that if Poland once agreed to be dispossessed of member's rights, she can be deprived of EU solidarity in other circumstances as well.

Summing up – the positions on crucial Agenda 2000 items did not change in Poland since the Berlin summit in March 1999. As a non-member Poland adopted a tactic to avoid declarations on how the future mechanisms and policies in the EU should be modified, which is evident from her Negotiations Positions. They refer to the present *acquis* only.

As far as the CAP is concerned Poland is ready to accept any solutions provided she would be on equal terms with the present members. It means that if the direct payments continue, Polish farmers cannot be deprived of them, if national co-financing of CAP is introduced, the Polish government will prepare necessary instruments to apply them etc.

The ceiling of 1,27% is meaningless for candidates in the present Financial Perspective as long as the appropriations for payments are about 1,11% of the GNP. In such circumstances increasing the ceiling itself simply does not provide more money for the applicants. Therefore Poland would also certainly appreciate firmer attitude of the UE towards implementation of the pre-accession funds. Lack of definitive decision inside the Community institutions is perceived as a main obstacle to launch financial

support from the SAPARD Programme. Without some EC implementing provisions Poland (as well as other candidate countries) was not able to use the SAPARD funds in 2000²⁷⁸.

Referring to the position paper on regional policy and co – ordination of structural instruments “*Poland accepts and will implement in full the acquis communautaire in this area and it will not request transition periods or derogations in the area. Poland expects that from the date of the accession it will participate in the social and economic cohesion policy of the Community and will take full advantage of the Structural Funds and the Cohesion Fund under the same rules as those applied to other Member States. Poland expects that upon the accession all its regions will be covered by Objective 1 of the Structural Funds.*

*Poland will undertake the necessary measures aiming at implementation and application of the acquis in the area of 'Regional policy and co-ordination of structural instruments' as declared above, by 31 December 2002. Poland intends to harmonise its legislation with the acquis communautaire and will implement it in full as early as possible and before the stipulated date of its EU accession.”*²⁷⁹

In other words Poland is not seeking for establishing any additional specific objective regarding structural funds. According to the estimates by the Ministry of Finance, presented in the Council of Minister’s report on costs and benefits of integration, the structural support from the EU budget after Poland’s accession should increase 4 to 8 times and in the years 2003-2006 should amount even to 18,9 million EUR. It means that Poland accepts the amounts allocated in the Financial Perspective. This would not exceed the annual limit for a new member state - 4% of its GDP, which, in case of Poland, would be ca 8 bln EUR (see table below).

Table Iia: EU Financial Resources on structural activities available for Poland after its accession in millions EUR according to the Ministry of Finance in Poland

Year	2003	2004	2005	2006	2003-2006
Amount	2.964	4.097	5.239	6.585	18.885

Moreover, the Ministry of Finance has estimated that the maximum level of national contribution in order to co-finance the structural activities between 2000-2006 can be as in the table (the exchange rate is at present ca 4 PLN/1EUR):

Table Iib: The maximum levels of co-financing structural funds according to the Ministry of Finance in Poland

Year	2000	2001	2002	2003	2004	2005	2006
Max. contributions in bln PLN	11,1	12,6	14,1	15,8	17,6	19,6	21,6

The Ministry concludes that strictly from the budgetary point of view Polish government will be ready to provide national co-financing for all the EU financial resources that could be available for Poland after accession. The difficulty can only lie in preparation of specific procedures as well as professional institutions/agencies, which could be able to receive and manage the EU financial support. Although Poland’s preparations are still in progress²⁸⁰ there is a common fear that Polish regions could not be ready to cope with absorbing all financial resources available in Brussels, especially in the first years of membership.

²⁷⁸ European Union initially allocated 168,68 mln EUR for Poland in 2000.

²⁷⁹ See: www.ukie.gov.pl/cona/snen/snen.htm.

²⁸⁰ Especially, since launching the implementation of administrative reform as of 1 January 1999.

Slovenia

As regards the Agenda 2000, the Slovenian Government believes that the question of implementation of the Common Agricultural Policy (CAP) in the new member states has been insufficiently dealt with. Therefore, an appropriate revision of the document is necessary in order to eliminate this insufficiency. In the Government's opinion, the EU should first determine a date of enlargement and thereafter on this basis set up an adequate financial framework. The Slovenian Political Parties point out inadequacies of the Agenda regarding financial aspects of enlargement as well.

Ceiling of 1,27% of GDP

As for ceiling of 1.27 percent of GNP for the EU budget in 2000-2006, Slovenian senior officials believe that this provision enables the EU to accept a moderate number of new members. In addition, some substantial reserves can be found in the financial sources of the EU. Finally, as a matter of fact, economic growth in the existing member states has been higher than expected and consequently one can spend a larger amount of money on enlargement. The Political Parties have similar opinions. The Slovenian respondents share the view that funds indicated for enlargement but probably not spent in 2002/2003 should be carried over to 2003/2006 period and be at applicants' disposal

CAP

As to the direct payments within the CAP framework, the Slovenian respondents point out that new members should be treated on an equal footing as the existing members. As the Slovenian Government emphasizes, the European Commission should treat new members as equal to the existing ones, not only formally but actually as well. In this respect, those Central and East European countries which will become members of the EU should receive direct payments within the CAP framework. If this is not the case, one can argue that discrimination is taking place which would be a violation of one of the most important principles of the EU. In this respect, the Slovenian Government rejects the European Commis-

sion's argument that direct payments would cause privileged position of farmers within their societies. On the other hand, the Slovenian respondents unanimously stress a necessity of a treatment of the applicant countries as well as agricultural products on an individual basis. Namely, they believe that in agricultural terms Slovenia is due to its small agricultural sector in better position than the other applicants. Slovenian officials argue that if no direct payments would be introduced Slovenia would in strictly economic terms lose the most as there would be decrease of 30-60 percent of its total agricultural income.

Regional policy

As for regional policy, the Slovenian respondents believe that the existing and new members should be treated equally. Again, not only formally but actually as well. Consequently, new member states should from the structural funds receive *per capita* at least such an amount of money as Greece and Portugal

4. Please report on the likely impact of enlargement on transatlantic relations from the perspective of your country.

- **How is the position of the United States on EU enlargement perceived in your country?**
- **Should "enlargement" figure more prominently on the US-EU agenda and also joint activities or would that weaken the EU position?**
- **Is enlargement expected to strengthen the EU's/Europe's role vis-à-vis the US**
 - **in the economic field?**
 - **in the field of security?**

Czech Republic

The position of the CR is based on various declarations of the leading US government officials who have welcomed the future EU

enlargement. They see positively especially the fact that the EU enlargement will lead to the stabilization of the situation in Central and Eastern Europe and to the development of civil society in the region.

The Czech government is studying this issue but it has no official view in this respect.

In general, from the point of view of the Czech Republic, any progress in the transatlantic dialogue is perceived positively. North America and Europe should get as close to each other as possible. There is a clear interest of the CR in the strong US presence in Europe in the fields of economy, politics and security. A similar attitude is visible in all the other countries of the so-called Luxembourg group. Therefore the enlargement (at least its first wave) is likely to strengthen the Europe's role vis-à-vis the US both in the economic field and in the field of security.

Hungary

Hungary welcomes the positive approach of the US regarding EU enlargement. The US favors a parallel EU-NATO enlargement and Hungary would welcome if all new EU members became NATO members as well. The US as well as Europe is interested in the stability of the continent and these organizations can highly contribute to it. Hungary also supports the presence of the US via NATO in Europe.

Discussing enlargement between the EU and the US does not seem to be on the agenda. The EU enlargement should rather be perceived from a global point of view whereby the global role of the EU would be strengthened after successive enlargements.

Poland

Poland is a country directly neighbouring with an unstable post-soviet area. Having very good relations with Ukraine Poland does not feel to be endangered from the south-east. Still an authoritarian dictatorship of Lukashenka in Belarus and an unpredictable and unstable

situation in Russia force Poland to pay special attention to the issues of national security. Therefore the transatlantic ties and the hard security guarantees provided by NATO to all its member states are of primary importance for Poland.

Poland, the Czech Republic and Hungary are all NATO member states and candidate states to the EU. The accession of those countries to the European Union will strengthen the transatlantic ties. It is in the interest of Poland to maintain the unity of the Atlantic Alliance and well functioning co-operation between the EU and the USA.

The enlargement will influence the policy of the candidate countries on both – the European Security and Defence Identity as well as on the transatlantic ties. Being a full member of NATO still merely a candidate country to the EU the mentioned states are inclined to promote all the procedures of consideration and settlement of the security issues on the forum where they are represented (i.e. in North Atlantic Council). Simultaneously they are forced to counteract any idea of a separate European "Directorate" where they are not represented now. This situation weakens the EU position vis-à-vis the USA in Central Europe and should be terminated as soon as possible.

The process of the EU enlargement is seen as a European home issue in Poland and the USA activity in that field is generally speaking not perceived at all. From the public opinion point of view as well as considering the public statements of Polish politicians the American position on EU enlargement is a non-existing one.

Considering the EU ambitions to build the European Security and Defence Policy on the one hand and the political necessity to maintain the unity of NATO the co-ordination of the US-EU efforts to expand the zone of stability eastward is indispensable. This task should be accomplished by using not only military (that is NATO's role) still as well economic and political instruments to that effect (EU-US co-operation). The EU and the US are not perceived as a competitive powers by Eastern Europeans. The peoples of the candidate countries want first of all Westernization symbolized both by the US and the EU. Smooth co-operation between the US and the EU is essential for winning and maintaining a public sup-

port for European integration in Poland. If the transatlantic relations are perceived as competitive the support of Polish people will be rather for the structures we are already represented in (NATO) than for those we are still the outsiders (the EU).

Enlargement is expected to strengthen the EU's/Europe's role vis-à-vis the US in the field of security: 1. Poland and other candidate countries by joining the Union will obtain full member's rights to co-decide on Common Foreign and Security Policy (CFSP) and on ESDP of the EU. Thus they will be interested in the strengthening that structure as an instrument of their own influence. The future members when integrated to the EU will stop to be linked exclusively with the NATO structure thus shearing the European efforts and the EU responsibility for the European security. Without enlargement the logic of the political situation forces the candidate countries to promote their contacts on that field rather with NATO and the US than with the EU that refuses them the right to vote on such a vital issue as European security.

2. Poland may contribute effectively to the projection of power capability of the European Army. Poland's accession to the EU will not bring any fundamental changes in the system of the Polish State's hard security understood as the defence of Polish territory. It is NATO membership and not the EU one that determines that issue. Still the situation will be changed as far as the export of stabilisation is concerned. The game for the final structure of the CFSP and ESDP of the EU is not over yet and their enlargement will remove the lack of confidence of the candidate countries to the EU position shaped so far without them.

First we shall realise that in spite of some proud statements of the European officials the CFSP is and in foreseeable future will remain the tool of *common security* (export of stabilisation) and not *collective defence* (territorial integrity of member states). The decisions taken by Helsinki European Council in December 1999 opened a new era in that field. The EU expressed her will to create the European Army of 60 000 men ready to be sent to action within 60 days since the decision on mobilisation and capable to be sustained in the

field within the period of one year²⁸¹. The problem is how to create an effective EU ESDP decision making structure without threatening the homogeneity of NATO. The EU wants the decisions to be taken exclusively by the EU members still it is obvious that it is the NATO military structure that will be in charge of their implementation. Considering that reality Polish government's proposal on decision making body is based on the 15+6 principle. (15 EU member states and 6 European non-EU NATO members). The natural support of the non-EU NATO states allows us to expect the positive solution of that issue. This will give Poland a direct impact on the decisions taken by the EU within the scope of the ESDP, even before Polish accession to the Union. If the proposal is rejected the natural reaction of Poland as well as other candidate countries would be the strengthening of their ties with NATO and the US as a counterbalance for neglecting attitude of the EU.

Polish potential contribution to the NATO-EU *out of area operation* is ca. 1000-1500 soldiers²⁸². In that context the Polish-Ukrainian military co-operation symbolised by Polish-Ukrainian battalion and its Polish-Lithuanian twin (LITPOLBAT) should be exploited in the interests of the ESDP as well as in the interests of our both countries. Our common unit counts - 744 soldiers (378 from Polish 14th Armoured Brigade from Przemyśl and 366 from Ukrainian 310th mechanised regiment from Yavo-

²⁸¹ *Presidency Conclusions Helsinki European Council 10 and 11 December 1999, The Finnish Presidency* <http://presidency.finland.fi>. Polish press comments see: M. W¹growaska, *Ambitna Europa, "Rzeczpospolita"*, no 22(5492) czwartek 27 stycznia 2000, p.11 and J. Bielecki, *Obrona Europejska. Operacje za zgod¹ NATO, "Rzeczpospolita"*, no 36(5506), sobota-niedziela 12-13 lutego 2000, p.1 and 5.

²⁸² Conclusions drawn by the author from the presentation made by brigade general Bronisław Kwiatkowski - *Realizacja postanowień dostosowawczych i reformy wewnętrznej Polskich Sił Zbrojnych w przeddzień przyst¹ pienia do NATO w oparciu o doświadczenia 6BDSz* at the seminar: "Stopień dostosowania polskich struktur obronnych do standardów NATO" - Instytut Studiów Strategicznych Fundacji MCRD, Kraków, 11 grudnia 1998.

Yavoriv)²⁸³. The battalion has been already included into the KFOR forces in Kosovo lately.

On June 8th 2000 in Yavoriv the commanders-in-chief of the Polish Army Forces and his Ukrainian colleague generals Zbigniew Zaleski and Piotr Szuliak signed a technical agreement on the principles of commanding, organization, deployment and tasks as well as the rules of financing of the national contingents of the Polish-Ukrainian Battalion. That act was the final one of the process of the creation of the international legal base for the common action of the Polish-Ukrainian Battalion in the peace-keeping mission in Kosovo.

The agreement provided for the modification of the size of the national contingents within the battalion. The unit sent to Kosovo is constituted by 600 Polish soldiers from the mentioned 14 Armoured Brigade from Przemysl and 280 Ukrainian soldiers from 24 "Iron" Division from Yavoriv.

In July the Polish-Ukrainian Battalion (POLUKRBAT) reassumed the tasks of Polish contingent in KFOR that had comprised the Ukrainian peacekeeping platoon and had been deployed in the American sector in Kosovo²⁸⁴.

Polish-Lithuanian peacekeeping battalion was formally created on December 3rd 1997. It was an initiative of the former Lithuanian President Algirdas Brazauskas. The first common training started in the summer 1998 still the Lithuanian and Polish parts of the Battalion are formed and trained separately in their respective countries. The unit consists of 782 soldiers – 428 Poles (from 4th Suwalki Armoured Cavalry Brigade from Orzysz²⁸⁵) and 354²⁸⁶ Li-

Lithuanians from the Infantry Battalion of the Motorised Infantry Brigade „Iron Wolf” from Alytus. The common structures of the unit consist of the staff, the staff company, and a logistic company. Additionally each country delegated two mechanised companies to the battalion. The headquarters of the unit is situated in Orzysz (Poland). English is the language of command. The post of the commander in chief of the LITPOLBAT is subordinated to rotation within one year cadence. On January 1st 1999 the battalion achieved its operational readiness and is able to fulfil the missions under the command of OSCE, WEU (EU) and NATO.

Lithuania is the only country having a common unit with a NATO member state among Alliance candidate countries. This makes the entire issue a matter of vital importance for Vilnius²⁸⁷.

Poland helps Lithuania to provide the Lithuanian Army with military equipment. In 1995 an equipment of the value of 4 million USD has

vision from Olsztyn stationed in Orzysz. I have not managed to explain that issue. It is possible that due to the reform of the Polish Army that is changing its old division based structure into a new brigade based one the situation described by Machnicka in July 1998 has been changed since then.

²⁸⁶ Data supplied by the Lithuanian Ministry of national Defence slightly differs from those supplied by Polish sources. (B. Machnicka, *Inauguracja wspólnego polsko-litewskiego batalionu*, AT SI NATO WP, (14.04.1999), <http://nato.pap.com.pl/index.html>). According to the Lithuanians LITPOLBAT counts 784 servicemen - 433 Poles i 351 Lithuanians. – *Lithuania's International Defence Cooperation*, Ministry of National Defence, International Cooperation <http://www.kam.lt/english/tarptaut.htm> .

²⁸⁷ B. Machnicka, *Inauguracja...*, Por.: Ida, *Polska-Litwa...*, <http://nato.pap.com.pl>; N.N., *Litwa i Polska podpisz! porozumienie o współpracy*, AT SI NATO WP, (25.03.1998), <http://nato.pap.com.pl> oraz: È. Stankiewičius, *Lithuania on its Way to NATO*, „NATO's Nations and Partners for Peace, Getting Ready for NATO: The Baltic States”, special issue 1999, s.81 oraz *White Paper'99, Ministry of National Defence of the Republic of Lithuania*, Vilnius 1999, s.20.

²⁸³ W. Grygolec, *Stosunki polsko-ukraińskie w aspekcie polityczno militarnym*, „*Stosunki polsko-ukraińskie*” *Studia i analizy MCRD*, no 6, p.78.

²⁸⁴ N.N., Końcowe ustalenia w sprawie Polsko-Ukraińskiego Batalionu, Archiwum tekstowe (08.06.2000), „*Serwis Informacyjny o NATO i Wojsku Polskim*”, <http://nato.pap.com.pl>.

²⁸⁵ *Jednostki wielonarodowe, Bezpieczeństwo*, Rzeczpospolita Polska, Ministerstwo Obrony Narodowej, (16.09.2000), http://www.wp.mil.pl/bezpieczenstwo/1_1_5_4.html . B. Machnicka, *Polska-Litwa/Przed premier! wspólnego batalionu*, AT SI NATO WP, (3.07.1998), <http://nato.pap.com.pl> – writes that those are the soldiers of the 15 Mechanized Di-

been given to Vilnius²⁸⁸ since then similar actions have been pursued several times²⁸⁹.

All those experiences allows to conclude that our forces put together may count ca. 3000 soldiers and would be outnumbered only by the British, French, Italian and possibly German contingents²⁹⁰. Of course not only men but the equipment counts in that calculation still an efficient efforts of Warsaw, Kyiv and Vilnius may give us the opportunity to promote Polish-Ukrainian-Lithuanian military co-operation as an important part of the European capability for *out of area operations* within the scope of the *Petersberg missions*²⁹¹.

Less considerable than in the field of security, but not meaningless: Polish accession to the EU will create a bigger market with additional 40 millions consumers, however one should

²⁸⁸ Informations according to attaché militaire of Poland in Vilnius - colonel Grzegorz Piłgowski – B. Machnicka, *Polska-Litwa przed premier¹...*, <http://nato.pap.com.pl>.

²⁸⁹ AT SI NATO WP, (24.05.2000), <http://nato.pap.com.pl>. Compare: Z.L., *Broń wartości po 3tora miliona dolarów darem dla armii litewskiej, Bezpieczeństwo, Polskie firmy zabiegają o zamówienia*, „Rzeczpospolita”, nr 121(5591), czwartek 25 maja 2000 r., s.A4, oraz Z.L., *Podarujemy si siadom uzbrojenie, Bezpieczeństwo „Polska Zbrojna” po litewsku*, „Rzeczpospolita”, nr 119(5589), wtorek 23 maja 2000 r., s.A4.

²⁹⁰ The Ukrainian-Roumanian-Hungarian-Slovak peacekeeping battalion “Tisza” is another project worth investigation as to the possibility of the creation a similar co-operation between central and eastern European countries. It is planned to be formed by the year 2001 and the Ukrainian contribution will be two artillery companies (179 men). The present task of Tisza Battalion is however a civil defence operations. – The unit has been created under the impression of the latest flood in the Tisza region that originated in Ukraine still affected mostly Hungary. On the “Tisza” battalion see: *Drive to set up Joint Battalions or New Defense Cooperation Philosophy*, CACDS, <http://www.niss.gov.ua/mac/cacds/archivee/Jan/0122d.html>.

²⁹¹ *Petersberg tasks* adopted by the WEU Council on June 19th 1992 comprise: “- humanitarian and rescue tasks; - peacekeeping tasks;- tasks of combat forces in crisis management, including peacemaking.”- See: *Western European Union Council of Ministers, Bonn, 19 june 1992, Petersberg Declaration, Part II, point.4*, p.1.

keep in mind that Poland’s GDP per capita constitutes only one third of average GDP in the EU zone. Poland’s membership in the EU should not stipulate much change in Poland-NAFTA economic relations. Global turnover of Poland with NAFTA countries is small, as it averages only 4-5% of total trade annually.

Slovenia

As far as transatlantic relations are concerned, the Slovenian respondents think that the United States strongly supports enlargement of the EU since this would bring about extension of democracy, human rights, free trade, and overall stability to the East. On the other hand, the United States has been simultaneously trying to attain favourable economic positions in the applicant countries before they enter the EU. In economic terms, both the EU and the United States would gain if enlargement would occur since Washington is the largest trading and investing partner of the fifteen states. In security terms, enlargement would positively affect the process of building of the European Security and Defence Identity (ESDI) and therefore strengthen a position of the EU vis-à-vis the United States. However, one has to stress that the EU does not want diminished security role of NATO.

5. Please note any observation you made on the debate on enlargement in the aftermath of Helsinki in your country!

Czech Republic

In Helsinki, the EU has made a substantial decision which has already influenced the enlargement process - the matter is the starting of negotiations with a big number of candidate countries. The EU now has to count with a union of 25 and more members in not so distant future. Negotiating with 12 countries simultaneously is technically very demanding

and this fact has negatively influenced the whole negotiations process.

However, given the recent development, there is now more optimism in the CR than there was in April or May - as far as the enlargement process is concerned. It should be mentioned though that the most recently expressed idea that the EU should be enlarged by up to ten new members around 2005 means a certain delay for the Czech Republic, given the intention of the government to enter the Union at the beginning of 2003.

Hungary

In general the public opinion in Hungary is in favour of EU membership. 68% of those questioned by Sonda Ipsos in April 2000 were convinced that accession would bring about more advantages for the country than disadvantages, 65% expressed their intention to vote yes on a referendum („if it was held tomorrow”) and only 8% would vote against, the others were hesitating or did not know. People are overwhelmingly satisfied with the amount of information supplied by the media and 35% thought those informations were objective. These rates have been stagnating over the past couple of years, so no dramatic change occurred in the general perception of Hungarian entry to the EU.

Nevertheless, the decision in Helsinki to widen the circle of negotiating countries and the possibility of an enlargement by ten new member states is being looked at as factors slowing down the accession process of Hungary. According to polls today 37% believes entry to the EU in 2002-2003 is realistic and every fourth citizen thinks that Hungary will become an EU member in 2004-2005. By contrast in 1996 as many as 66% of those questioned were convinced we could accede by 2002!

By seeing the EU occupied with internal reforms Hungarians are realizing that enlargement cannot take place as fast as planned by the Hungarian government. While Hungary is doing all efforts to comply with the three Copenhagen criteria (and these efforts are acknowledged by the European Commission every year) the EU seems to have problems in

complying with the fourth criterion, namely preparedness of the Union to enlarge without compromising the dynamics of integration.

Hungarian diplomacy launched recently the co-called external communication strategy the aim of which is to communicate the added values Hungary's accession will bring about for the EU. Now Hungarian diplomats think the political leaders of the member states themselves should conduct some kind of an information campaign about Eastern enlargement, in order to fight the often irrational and unfounded fears of their domestic public opinion and to speak more about advantages of enlargement beneficial for the integration process as well as for the whole continent.

Slovenia

In the period since the Helsinki summit one can detect three issues on which the Slovenian debate has been concentrating. First, there has been wide consensus that Slovenia should do its best in order to enter the EU in the first round. In this respect, all the relevant institutions have accelerated their work relating to adoption of the *acquis communautaire*. In spite of the change of Government in June this course has not altered. Thus, Slovenia expects favourable assessment of its achievements when the European Commission's report will be issued in November 2000.

Second, ever since the inclusion of the Jörg Haider's Freedom Party in the Austrian Government there has been considerable fear that Austria will try to promote its narrow national interests concerning relations with Slovenia by using its privileged position in the accession negotiations. In other words, there has been possibility that Vienna would try to include some bilateral questions in the framework of multilateral negotiations between the EU (the European Commission) and Slovenia. Slovenia experienced such 'blackmail' in the recent past since in 1994-1996 period Italy successfully blocked a conclusion of the negotiations on the Association Agreement by pointing out alleged injustice done to the Italian citizens which before 1947 lived on the territory of the Republic of Slovenia. Jörg Haider has been persistently urging the coalition partner (the Austrian Peoples' Party) in the Austrian

trian Peoples' Party) in the Austrian Government to press Ljubljana on several important issues (nuclear power plant Krško, Austrian minority, and abrogation of the AVNOJ Decrees). So, at the moment the Slovenian Government as well as the public perceive nationalist Haider as perhaps the biggest obstacle to Slovenia's early EU membership.

Finally, the Slovenian public has been annoyed by the prospect of closing down lucrative duty free shops on the borders with Italy and Austria by the end of this year. Namely, this has been demand of the European Commission. The opinion prevails that such a request is unsuitable (unjust) and that the closure should happen only when country will actually achieve full membership. However, the fact is that four years ago Slovenia obligated itself to meet the Commission's demand and therefore there is little room for manoeuvre.