CHAPTER:-4

IMPLEMENTING DEMOCRATISATION IN CENTRAL AND EASTERN EUROPE: EUROPEAN UNION’S POLICIES AND PROGRAMMES
Since the end of the cold war and the emergence of nearly thirty independent states in the eastern half of the European continent, the European Union has taken an active approach in assisting in the transition process of many of them. The EU’s democracy promotion commitment was made in November 1991 development council resolution and then incorporated into mainstream foreign policy machinery through the Maastricht treaty. From then, Democracy promotion has been a central feature and platform of the EU’s external relations agenda. The European Union employs a number of tools when engaging in the assistance of democratic transition. The EU, as an institution comprising of entrenched democracies, has the potential to provide technical assistance with regard to policy implementation, assistance on institutional structures, policy initiatives, economic assistance, market restructuring, to name a few. The EU has accomplished these tasks by engaging in dialogue with recipient states, by joining together in a variety of partnerships, either political economic or social, or even by engaging in coercive measures such as imposing trade and travel restrictions on certain countries. Thus, the process of engaging in democratic assistance is a “cost-intensive” proposition and expenses vary from state to state, as the democratic transition process requires substantial funds from external actors.

The European Union, as an organization, has considerable structural capacity and in turn has the potential to be of great assistance in the democratisation processes occurring within the Central and Eastern Europe. The early success of the EU as a positive agent of change within the former Soviet states can be seen by the enlargement of the EU between 2004 and 2007. Various states such as Poland, the Czech Republic, the Baltic Republics, Bulgaria and Romania all gained entry into the EU. Enlargement can clearly be identified as ultimately the final goal of democratic transition for many states throughout the Central and Eastern Europe (J. Hughes, G.Sasse, and C. Gordon, 2004: 531). Enlargement may act as an incentive to engage in democratisation, but it is in itself an ineffective assistance mechanism (Mungiu-Pippidi, 2007: 9-10). Enlargement acts as the incentive, while other EU initiatives provide assistance to transitioning states.
with the aim of achieving accession into the EU. One can say enlargement is one of the most successful foreign policy of the European Union (EU). The attractiveness of EU membership and the strict political conditionality attached to the accession process have vested the Union with considerable transformative power in the applicant countries. Enlargement has been credited with having contributed significantly to economic recovery, peace and stability as well as to democratisation in transition countries of the region.

The purpose of this chapter is to discuss the various bilateral and multilateral acts and the instrumentality of aid and associational agreements as tools of democratization promotion in Central and Eastern Europe by the European Union. In addition, conditionality is a crucial element in the promotion of democracy by the EU which demands strict observance of norms and definition stipulated by it. It has been the most effective among the EU’s strategies and instruments (others being social influence or persuasion, for instance) and requires favourable political conditions in the domestic arena of target countries to be fully effective, it has proven to be a necessary condition of successful EU democracy promotion. Here EU’s external incentives as well have been instrumental in overcoming domestic obstacles to further democratic reforms. This will also fulfil our purpose of analyses.

1) 1989 and Beyond: The Shaping of New Europe

It will be logical here to start with the conditions that prevailed after 1989 in the ex-Soviet region which led to the shaping of the New Europe. In the spring of 1994, the first formal application for membership of the European Union by the Central and Eastern European (CEE) states was made. Almost five years had passed since the dramatic days of peaceful revolution of 1989. In that period, many of the old certainties of the cold war had disappeared. The Soviet Union’s implosion had rendered the CEE states free to pursue their own external policies for the first time since the 1930s. Across the Europe the entire framework of economic, political, security, and cultural relations seemed to be in a flux as the EU struggled to put in place a concrete process that would govern its relationship with the new democracies. Although it was cautious about making any
categorical promises of membership, it became clear that enlargement of the Union to include those countries in CEE that had expressed an interest in joining represented the only viable policy option for the Union.

a) The EU Response to the 1989 Revolutions and Various Bilateral and Multilateral Acts

The dramatic but largely peaceful revolutions that transformed the Central and Eastern Europe in 1989 are often described in grandiloquent terms. Various phrases were used, such as 'velvet revolutions', 'geopolitical earthquake' and 'acceleration of history', which quickly entered political discourse as scholars and public figures struggled to come to terms with the magnitude of the events. Within a short time it became clear that the demise of communism held profound implications for the future of Europe – both east and west. As the old certainties of the cold war era gave way to a somewhat amorphous geopolitical framework, the EU found itself confronted with a drastically altered European configuration. The Europe of the twelve would now have to address the question of how it might relate to and possibly assimilate its neighbours to the East.

In the Central and Eastern Europe, the Gorbachev reforms had effectively emboldened reformers and encouraged dissent. In short, the internal Soviet disarray provided Warsaw-pact dissidents a fresh opportunity for democratic activism. Prior to the era of Glasnost and Perestroika, relations between the EU and the CEE states were practically non-existent (Pinder, 1991: 8-23). The EU activity was mainly confined to a few narrowly concentrated areas of trade, ensuring the protection of key economic sectors from unfair competition from the Eastern Bloc. At a political level, the cold war geopolitical thinking slowed down the development of closer relations.

For the Central and Eastern European states emerging from the shadow of the Soviet monolith, the aspiration was clear – a 'Return to Europe' – the Europe from which, it was frequently asserted, these states had been forcibly separated for over four

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1 The CMEA, or COMECON as it was more popularly referred, was the economic arm of the Warsaw Pact Alliance. For analysis of its demise see 'East Europe meet bury Warsaw Pact' *Independent*, 25 February 1991.
decades². The new CEE governments from the beginning framed their endeavours and aspirations with explicit reference to the core values of European integration (Sedelmeier and Wallace, 2000: 433). They sought freedom, prosperity, and a secure place in the international community of nations, especially within European organizations. Opinion polls pointed to massive support for ‘joining Europe’. For the European Union, however, the aftermath to the peaceful revolutions would produce a period of intensive questioning: first, what was actually meant by ‘European’; second, and more pragmatically, how should the Community respond to the CEE states’ stated desire for membership of the club. For the first, Article 237 of the Treaty of Rome³, which simply states that ‘any European state can apply’ for membership of the Community, began to be scrutinized (Brennan, 2006: 14).

In November 1989 the enthusiasm and readiness of the West to help was clearly expressed. Altruism could indeed be detected, not just in the rhetoric but also in the actual nature of the response. The heady atmosphere was captured in the European Council’s declarations at the Strasbourg summit in December 1989 where it specifically acknowledged a ‘special responsibility’ for the Central and Eastern Europe and suggested that the Community was the only point of reference of significance for the CEE states. This was despite the fact that the revolutions had caught the community off guard. For the EU this was as much a question of adjusting the cognitive, as well as the physical, map of Europe. The EU policy, according to Sedelmeier and Wallace (2000), was characterized at this time by, among other things, hyperactivity, enthusiastic pledges of

² The ‘Return to Europe’ quickly emerged as the central pillar upon which membership bids by the CEE states were founded. The ‘Return’ has been the subject of an exhaustive range of academic analysis. For our purposes it is sufficient to note the extent to which CEE political leaders deployed the phrase and the reigning idea very regularly in the early 1990s.

³ On 25th March 1957, two treaties were signed in Rome that gave birth to the European Economic Community (EEC) and to European Atomic Energy Community (Euratom): the Treaties of Rome. The Treaty establishing the EEC affirmed in its preamble that signatory States were “determined to lay the foundations of an ever closer union among the peoples of Europe”. In this way, the member States specifically affirmed the political objective of a progressive political integration.
support, and consensus that the EU should play a leading role in the transformation process in CEE, even if it was unclear what this might involve.

Initially, talk of a Marshall-type plan for the Central and Eastern Europe was in commonplace, with the EU appearing to acknowledge the existence of a moral imperative for large-scale aid transfers to the eastern countries. The Luxembourg accord of June 1988, billed as the Joint Declaration on the Establishment of Official Relations, led to the initiation of bilateral trade deals with the CMEA member states, and can be seen as ushering in a new phase of more normal relations. The Community removed long-standing import quotas on a number of products and extended the General System of Preferences (GSP) to the CEE countries. The commission began a major assessment of the progress of economic and political reform in the region. The resulting Trade and Cooperation Agreements (TCAs) would, by October 1990, be signed by all of the former Warsaw pact states in the Central and Eastern Europe. A Central European Free Trade Association (CEFTA), formed from former COMECON members, was also instituted in 1993 as an additional mechanism for freeing up trade. This was in addition to a Central European initiative – the so-called Visegrad declaration – which sought to turn the three countries Hungary, Poland, and Czechoslovakia into a single economic zone. Further encouragement was granted from the decisions made at the G24 summit of July 1989 (actually the G7 summit but recognized retrospectively as the wider G24 grouping), which provided substantive help to the reforming Eastern countries by means of rescheduling of debt, provision of aid to tackle fiscal problems, and most significantly, commitments on aid for economic development. With respect to pledges of financial aid, it is estimated that the G24 block together committed approximately $45 billion over a three-year period. Further commitments were made in the months that followed (Brennan, 2006: 15).

b) PHARE

In spite of the gap between the EU obligation and disbursements, close at hand did emerge a more coherent collective approach to financial aid and economic restructuring in the transition states. The G24 conference of July 1989 committed its members to
aiding the economic reconstruction of Central and Eastern Europe. Out of this would evolve a practical operational device to assist with financial aid and technical matters. This became known as PHARE (the French acronym for: Poland and Hungary Assistance for Restructuring Economies); it would eventually encompass all of the CEE states. The European Commission at the time identified the prime missions of PHARE as supporting the process of economic transformation, with a focus on core areas such as industry, agriculture and energy, and providing financial support for the CEE effort to reform and rebuild. In addition, the programme included food and humanitarian aid, balance of payments help and access to European Investment Bank (EIB) loans. PHARE soon became the biggest assistance programme in CEE with funding increasing from an initial amount of €500 million in 1990 to €1600 million in 1995. In total, the PHARE programme allocated €4.2 billion for the period 1990-94; this increased to €6.693 billion for the period 1995-99, with another €4.7 billion provided between 1999 and 2002. The focus of PHARE would change in time from demand-driven support for transition-related restructuring, developing in parallel with the pre-accession strategy, into an entirely accession-driven instrument (European Commission DG Enlargement, 2004: 3).

If PHARE was intended as a vital instrument for the support of restructuring it quickly became apparent that inherent problems compromised its effectiveness. Firstly, the financial support was very modest given the scale of ambitions for PHARE. Second, analysts railed against the perceived inadequacies of the PHARE distribution system and in particular against the preponderance of western management consultant employed in implementation. Pflueger (1995) demonstrated that only ten per cent of PHARE funds were channelled into investment in the early 1990s, whereas management consultants, frequently from the west, pocketed vast amounts. Official concern was publicly expressed and this contributed to a demonstrable loss of confidence in the programme on the CEE side. The EU itself acknowledged the legitimacy of the complaints. In 1993, the EC Court of Auditors brought into sharp focus the mismanagement of specific components of the aid budget concluding that almost none of the leading personnel in the management units are nationals of the recipient countries. Thus, the claimed recipient control over implementation seems fallacious. The question of serious fraud undermining
the new aid programmes was also a recurring one. There did not seem to be sufficiently rigorous scrutiny of the EC aid. Further criticism of PHARE was based on the employment of a mixture of bilateral and multilateral aid, which at times compounded the problems of implementation and conspired against the overall goals of the programme. A Belgian government memo expressed the general frustration; it called for more consistency between the policy of the member states and that of community. The overall picture was one of good intentions, compromised by administrative deficiencies and a lack of coordination. Acknowledgement of the inadequacies of the PHARE programme came at the Copenhagen European Council summit meeting in June 1993. Consequently PHARE took on a new and explicitly political orientation; it was redesigned to keep pace with political developments, in particular with regard to a more concrete accession scenario. After 1994 the programme was characterized by support for the legislative framework and administrative structures, as well as for projects promoting democratisation and civil society, and for investment in infrastructure, involving cross-border cooperation (European Commission DG Enlargement, 2004). The move to substantive capacity-building had begun, even if it was somewhere tentative.

c) EIB and EBRD

In addition to PHARE the EU also put in place two new financial institutions intended to provide finance and advice to governments in Central and Eastern Europe. These were the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). The EIB was guaranteed by the EU and made project-based loans, targeted at productive or infrastructure investment available at competitive interest rates. EIB loans were hugely important for the transitioning countries in the early 1990s when their access to investment capital was negligible. Later investment would be focused on trans-European infrastructure projects such as the upgrading of train and motorway routes. The EBRD, a French government initiative, was designed to provide support for balance of payments problems, currency convertibility,
and aid in instituting programmes in technology, training and development. There was an enormous amount of publicity attached to its launch on 15\textsuperscript{th} April 1991. An amount of disquiet, however, centred on both the choice of London as the headquarters for the bank and on the activities of its larger-than-life president Jacques Attali. As early as 1991 there were suggestions that the bank was failing in its remit. At its second annual meeting in London on 1 April 1993 there was uproar amid claims of great extravagance. When Attali decided to resign there was little surprise. Even after his departure, however, the bank was dogged by negative publicity with suggestions that management consistently favoured French companies and Gallic interest. Nevertheless change was effected and the bank began to have an impact (Brennan, 2006: 19).

d) The Europe Agreements

The third arm of early EU policy developed of the existing template of Association and Association Agreements, which had been used to manage relations with third countries since the inception of the EC (Phinnemore, 1999). It became apparent that a deeper form of Association Agreement would be necessary in managing relations with CEE. Following on from the initial Trade and Cooperation Agreements of 1989 and 1990, the EU saw the need for a more effective institutional framework in which the new relationships, both political and economic, might be consolidated. The Association Agreements (or Europe Agreements as they were more commonly referred to) were described as ‘second-generation’ agreements, symbolic of a second stage of relations between the EU and the CEE countries. The first such agreements, with Poland, Hungary and Czechoslovakia, were signed on 18 December 1991 and came into operation on 1 March 1992 (European Commission, 1991). The European Commission defined the Agreements as ‘a legal, political and economic framework for the relationship of the signatory CEE countries with the EU’ (European Commission, 1995). They provided the framework for bilateral relations between the EU and its member states with the partner countries. Described as representing ‘far-reaching liberalization’ with respect to trade and economies ties, the agreements were viewed by the EU as a positive contribution to the CEE efforts to reduce the economic disparities with the EU member states. They covered
trade, political dialogue, legal approximation and other areas of cooperation, including industry, environment, transport and customs. They aimed progressively to establish a free trade area between the EU and the associated countries over a given period, on the basis of reciprocity, but applied in an asymmetrical manner. According to the Commission, the Agreements were ‘based on shared understanding and values’ and prepared the way for economic and political convergence (ibid).

2) The Copenhagen Summit: Toward A New Phase in Relations

If the peaceful revolutions of 1989 constituted a starting point for the EU’s efforts to integrate Central and Eastern Europe into the EU structures, then the decisions taken by the European Council at Copenhagen provided real momentum, according to Peter Ludlow (2004), by transforming the enlargement question ‘from a theoretical possibility to an agreed goal’, and by articulating substantial if vague criteria by which progress could be measured. In the run-up to the summit the Commission produced a new report on enlargement strategy (European Commission, 1993). This proposed specific measures for deepening the relationship with the associated countries, including accelerated market access for the CEE states, increased economic and technical assistance, and an intensification of political dialogue (Baun, 2000: 44). Crucially also, it recommended that the associated countries become eligible for accession once they met certain economic and political conditions. EC foreign ministers, meeting in the General Affairs Council (GAC) at Luxembourg on 8 June 1993, agreed in principle on measures to accelerate the political and economic integration of CEE into the community.

The European Council endorsed the Commission’s view, announcing that it ‘agreed that the associated countries in Central and Eastern Europe shall become members of the European Union’. As Graham Avery (2004) points out this was the first time such a promise of membership had been extended to third countries even before they had officially applied for it. Further, it was decreed that accession would take place ‘as soon as the associated country is able to assume the obligations of membership by satisfying the economic and political condition required’. These conditions included the achievement of stable institutions that guaranteed democracy, the rule of law, human
rights, and respect for and protection of minority rights, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union (Bulletin of European Communities, 1993). The European Council also introduced another important criterion - the ability of the Union to absorb new members 'whilst maintaining momentum' and without compromising the deepening of the Union. Thus there was formed an explicit linkage between further deepening and widening of the EU. Enlargement could take place, as long as it did not impair the integrity of the integration process. The European Council also agreed that 'future cooperation with the associated countries shall be geared to the objective of membership', thus establishing an explicit link between cooperation and accession that did not exist in the Europe Agreements. To this end, the European Council proposed the creation of a new structured relationship with the CEE states, which it defined as a 'multilateral framework for strengthened dialogue and consultation on matters of common interest' (ibid). The structured relationship would consist of meetings between the Council and its counterparts (government ministers) from the CEE states on policy matters falling under each of the three pillars of EU activity: EC areas (single market), CFSP{\textsuperscript{4}} (Common Foreign and Security Policy), and JHA (Justice and Home Affairs which includes – immigration, asylum, combating organized crime including the traffic of human beings). Separate procedures were also established for meetings of foreign ministers under CFSP. The European Council also proposed regular high-level meetings of the commission president and EU presidency with their counterparts from the applicant states, and joint meetings of the head of state and government when appropriate (ibid).

The Copenhagen summit also further elaborated measures to accelerate efforts to open the EC markets to CEE products, moving faster in this regard than was originally envisioned in the Europe Agreements (European Commission, 1993). Important changes

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{\textsuperscript{4}} The Common Foreign and Security Policy (CFSP) is the organised, agreed foreign policy of the European Union (EU) for mainly security and defence diplomacy and actions. CFSP deals only with a specific part of the EU's external relations, which domains include mainly Trade and Commercial Policy and other areas as funding to third countries, etc.
to the PHARE programme came about as a response to the concerns about its efficacy. The reorientation of PHARE included a new emphasis on infrastructural development. The EC also committed itself to more financial assistance and help in the approximation of laws by providing training in EC law and procedure (Baun, 2000: 45). As PHARE’s objectives changed it became much more oriented towards the preparation of the associated (later candidate) countries for accession.

In retrospect the Copenhagen process was also notable for the activism displayed by a range of different political actors. Most commentators now concede the importance of the European Commission’s advocacy in pressing for the accommodation of CEE preferences in respect of trade. Also of significance was the approach adopted by CEE state representatives, much of which consisted of reminding the EU leaders of the historical obligation and practical necessity which enlargement represented. In a key memorandum presented to the commission in October 1992, the three Visegrad governments declared that:

> Our three countries are convinced that stable democracy, respect for human rights and continued policy of economic reforms will make accession possible. We call upon the Communities and the member states to respond to our efforts by clearly stating the integration of our economies and societies’, leading to membership of the Communities is the aim of the Communities themselves. This simple, but historic statement would provide the anchor which we need.

(Cited in Michalski and Wallace, 1992: 114)

The pressure from the CEE states was important in particular for highlighting the gap between the EU rhetoric about welcoming the post-communist democracies into the democratic and market capitalist fold, and the substance of actual EU policy, which was much less an accommodating of CEE interests. Through such pressure, the CEE states exploited the feelings of moral obligation toward Central and Eastern Europe held by many within the EU. To this we must add the pressure exerted by the academic community and the governments of the key member states. The German government, in particular consistently argued that the post-communist countries must be given a firm
prospect of membership. During a visit to Warsaw in February 1992, the then German Foreign Minister Hans Dietrich Gensher declared that Poland, Hungary and Czechoslovakia should become full EC members ‘as soon as possible’. The following month, he declared that these countries should be admitted to the EC by the end of the decade. Even among the member states that were less enthusiastic about enlargement, there was a growing acceptance of the need to better integrate the CEE countries. After Copenhagen the enlargement process took on a more identifiable and discernible shape as new modes of cooperation, adaptation and preparations for membership evolved (Brennan, 2006:23-24).

3) Beyond Copenhagen: The Deepening of EU-CEE Relations

For all of the positive developments that emerged from Copenhagen, progress was difficult as ever in the months after the summit. At times it looked to the CEE states as if the gap between the rhetorical commitments and EU action was alarming. What were needed, it was frequently asserted, were a concrete timetable and a road map for accession.

In the aftermath of Copenhagen two particular problems presented themselves. The first lay in the EU’s continued absorption with internal problems. With a succession of exchange rate crises and attendant threats to the plans to launch EMU, along with the problematic ratification of the TEU, enlargement seemed to recede in importance (Baun, 2000: 53). To this was added the distraction presented by the ongoing accession negotiations with the EFTA states – Austria, Sweden, Finland and Norway⁵. A wide ranging Commission policy review was followed by further reform of PHARE and declarations stressing the need for the CEE states to harmonize their competition and state-aid policies with EU regulation in these areas. The Commission’s strategy came together in a wide-ranging policy document published in September 1994 (European commission, 1994). Perhaps less obvious, but nonetheless significant, was the fact that with the arrival of the Santer commission at the beginning of 1995, ‘there was a major

⁵ Switzerland, another EFTA state, had also applied for membership in May 1992, but its application was effectively withdrawn after Swiss voters rejected the European Economic area (EEA) in a December 1992 referendum.
shift in priorities and commitment'. Jacques Santer and his Chef de Cabinet Jim Cloos approached enlargement in receive rather than proactive terms. Where Delors and his team had taken a lead and acted as persuaders for unity, Santer and his team were much more cautious in their approach; their essential view of enlargement was, according to one informed insider, one of 'disbelief in the feasibility of the enterprise'. They held to a 'firm conviction that the EU would do damage to itself, if it tried to go too far too fast' (Ludlow, 2004: 24).

In spite of the inertia produced by this cautious approach, a deepening of relations in the economic sphere sustained swiftly. The integration of political and security structures also came on to the agenda, but at a slower pace and fashioned through more minimalist clothes. In early March 1994, plans for greater foreign policy cooperation were aired which included plans for yearly meetings among the EU presidency, the Commission and the heads of state or government of the associated countries as well as special Council meetings involving the foreign ministers of the associated countries. The Council’s plan also provided for formal cooperation between the EU and associated countries at international conferences. Notably, it provided them with the chance to associate with EU statements on individual foreign policy questions and shaped the possibility of joint foreign policy actions by the EU and the associated countries. As a result the extension of the nascent CFSP began to take shape.

The first formal applications for membership by the CEE states were made in the spring of 1994. These formal applications only increased the pressure on the EU to develop a strategy to prepare the associated states for membership and added to existing tensions within the EU on the direction of policy. Especially apparent at this time was the divide between northern and southern member states. This was partially resolved with a compromise that saw the southern member states, led by France and Spain, accepts the need for eastern enlargement, while the German government endorsed the idea of a new

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6 Hungary was the first state to apply for membership on 31 March 1994, followed by Poland on 5 April 1994. Romania was next on 22 June 1995, Slovakia on 27 June 1995, Latvia on 13 October 1995, Estonia on 24 November 1995, Lithuania on 8 December 1995, and Bulgaria on 14 December 1995. The following year, applications were formally lodged by the Czech Republic on 17 January and Slovenia on 10 June 1996.
Mediterranean policy (which would become the Barcelona process). With this agreement in place, the way was clear for the institution of a comprehensive pre-accession strategy. At the Corfu summit\(^7\) on 24-25 June 1994, the European Council asked the Commission to make specific proposals to advance the process. In particular, it called for a clear pre-accession strategy to follow up on the Copenhagen decisions.

Within weeks the commission’s response to the council request becomes known. The communication entitled the Europe Agreements and beyond, outlined the major components of the pre-accession strategy:

> The goal for the period before accession should be the progressive integration of the political and economic system as well as the foreign and security policies of the associated countries and the union, together with increased cooperation in the fields of justice and home affairs, so as to create an increasingly unified area.

(European Commission, 1994)

The conscious effort to link pillars two and three to the most integrated area of activity (pillar one) was most striking. This was backed up by the insistence that all acceding states would have to accept not only the *acquis communataire* but also the *acquis politique* and the *finalité politique* of the Union. In this sense, the EU approach was markedly different to that of previous enlargement rounds. The CEE states were effectively set a much higher threshold than had ever been set for prospective members. The Commission claimed that the existing ‘structured relationship’ held out the dual benefit of promoting a closer working relationship between the EU and the CEE states, while encouraging cooperation in resolving collective (or trans-European) problems. However, the Commission called for expansion of the structured relationship beyond

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\(^7\) The meeting of Heads of State or Government held in Corfu on 24 and 25 June 1993 was chaired by Mr Papandreou, President of the European Council, for the discussions on the economic policy guidelines. The meeting was preceded by an exchange of views with Mr Klepsch, President of the European Parliament, on the main items on the agenda and on the need for constructive cooperation between the institutions.
joint meetings with the Council to include other EU institutions, especially the European parliament. It also argued that CFSP and JHA issues should be included in the EU’s multilateral dialogue with the associated states. The main focus of the commission’s future strategy, nevertheless, was integrating the CEE states into the Community’s internal market. Therefore the greatest importance was attached to the transposition of the EU law into the domestic legislation of the CEE states. In a more detailed follow-up, the Commission proposed specific measures for promoting its pre-accession strategy. These included recommendations regarding critical policy areas, from state aid and competition policy to further changes to the PHARE programme, and suggestions on the further adaptation of the corpus of the EU law and new financial aid instrument (European Commission, 1994).

If, in retrospect, the 1993 Copenhagen summit is identified as the summit which laid out the macro-basis for a successful eastern enlargement, then the Essen summit should be viewed as no less important in terms of outlining the micro-agenda of economic reform necessary to prepare the associated countries for membership. In Essen, the EU leaders formally approved a comprehensive pre-accession strategy. Following the commission’s original proposals, this strategy had two key parts: first, an enhanced structured relationship, and second, a white paper drawn up by the commission that would provide a route plan for progressively integrating the CEE states into the single market (European Council, 1994). The enhanced structured relationship was aimed at integrating the associated countries politically and at promoting cooperation between the EU and the associated countries in addressing common problems. It also aimed at socializing them into the complex process of EU policy formation and decision-making (Baum, 2000: 58). Again, the emphasis was cross-pillar in nature. Although the primary focus of the Essen framework was economic, there was also a symbolic and normative importance attached to having the CEE leaders present. Just as important was the inclusion of an insistence on ‘good neighbourly relations’, effectively a new pre-condition for membership, which in time would evolve into the pact on stability in

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8 The leaders of the six states that had signed Europe agreements by that stage were present – Poland, Hungary, the Czech republic, Slovakia, Bulgaria and Romania.
Europe. Based on a French plan, the pact was designed to help ‘resolve the problems of minorities and strengthen the inviolability of frontiers’. In addition, it was supposed to be a ‘staple component of a joint action to promote stability and peace in Europe’ and help ‘reinforce the democratic process and regional cooperation in CEE’ (European Dialogue, 1995). In the end, the pact was a success for the fledgling CFSP and a positive step in the EU’s effort to become an effective external actor. By helping to resolve potentially dangerous bilateral disputes, the pact promoted stability and security in CEE. It also helped to create the political and security preconditions for enlargement by minimizing the security risks of taking in new member states (Brennan, 2006: 28).

The main element of the pre-accession strategy set out at Essen was, however, the outline of a detailed road map for integrating the CEE economies into the single market. The European Council requested the Commission to prepare and deliver this white paper in time for its next regularly scheduled meeting at Cannes in June 1995. Despite a number of problems, the commission delivered on the request and approved the final version of the white paper in early May. The stated purpose of the white paper was to provide guidance to assist the associated countries in preparing themselves for operating under the requirements of the European Union’s internal market (European Commission, 1995).

Baun (2000) suggests that the White paper did three things. First, it identified the key legislation (or elements of the acquis communautaire), to be adopted by the associated countries in domestic law; second, it stressed that the simple transposition of the EU legislation by the associated countries would not be enough. Each country was required to put in place a comprehensive legal and administrative infrastructure capable of supporting the legislation. Many felt that this represented the greatest challenge facing the candidate states. Finally, the White paper also outlined the various forms of financial and technical assistance the EU would provide the CEE states to help in the reform process. Although there were many complaints from the associated countries, the EU insisted that the measures were non-negotiable. Commissioner Van den Broek pointed

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9 The Balladur Plan, named after its instigator, French Prime minister Edouard Balladur.
out that the White paper was not an obstacle rather an essential mechanism which would facilitate economic adaptation in the CEE states. The European Council at its Cannes summit formally approved the White paper. In stressing the importance of not just the transposition but actual implementation of key legislative instruments, the White paper presented the process of adaptation as both technical and horizontal, in every sense a rational policy process. This meant that it reduced the opportunities for veto groups on the EU side to intervene and block progress. These were both practical and tactical reasons for using this sort of approach. Seen in this light the White paper stands out as a proactive measure by the Commission to draw out opponents of deeper engagement with CEE (Brennan, 2006: 28).

Given the impetus provided by successive summits, it seemed that the essential building blocks were now successfully in place. Not surprisingly attention increasingly turned to the issue of a timetable for accession. During a visit to Warsaw, Chancellor Kohl promised that Poland, and by implication Hungary and the Czech Republic, would enter the EU by 2000. He thus became the first EU leader to advance a prospective date for enlargement. According to Baun (2000), Kohl’s statement surprised ‘almost everyone’ and Bonn officials were soon backtracking, suggesting that the date should only be regarded as an assurance of future entry: it need not actually happen prior to or on the date. However, German government officials also acknowledged that Kohl was setting out a strategy that Germany intended to pursue.

In advance of the Madrid summit (15-16 December 1995) the European Council asked the Commission to prepare official opinions on all ten CEE countries and to forward these to the council as soon as possible after the conclusion of the intergovernmental conference, due to begin in early 1996 under the Italian presidency. It also asked the commission to prepare a ‘composite paper’ on enlargement and to pursue further its analysis of the impact of enlargement on the EU policies, especially the CAP and Structural Funds. These various reports and analyses had been the basis of the Commission’s document, agenda 2000, which get published in July 1997. Given the large number of countries to be assessed and the short timeframe in which to produce the
opinions the exercise represented a considerable test of the Commission’s organizational capacity. By the end of 1995, the focus of policy had thus been switched firmly from pre-accession to an accession scenario, through there were still many contingent factors, not least, the upcoming IGC (Brennan, 2006: 29).

a) The Luxembourg and Helsinki Summits

The impression that the enlargement process was one where each step forward was followed by the proverbial two steps back was yet again reinforced when in 1996 the EU’s agenda shifted once more to domestic issues, namely the IGC scheduled to be formally launched in Florence in March 1996, and the continuing difficulties faced by many countries in meeting the Maastricht criteria for monetary union. Although advances in the structured dialogue were noted, it was clear that further decisions on enlargement could be taken only when the commission had completed its various analyses. These were due to be delivered prior to the June 1997 Amsterdam summit, which conclude the IGC process. The Commission began work on the opinions in early 1996 (Baun, 2000: 78-95).

The opinions were primarily technical assessments of the capacity of each applicant to assume the obligations of membership. The Commission took into account information provided by each candidate country, assessments made by the member states of the Union, European Parliament reports and resolutions, the analysis of other international organizations such as the Council of Europe (CoE), the Organization for Security and Cooperation in Europe (OSCE), and International Financial Institutions (IFIs). They were intended as an aid to the European Council, which would make the final political decisions about the opening of accession negotiations with individual candidate countries (Baun, 2000: 78). The Commission’s work involved an assessment of the compatibility of the laws, regulations and policies of the applicant countries with the *acquis communautaire*, as well as their ability to transpose EU legislation. The
Commission also had to take account of the prevailing political and economic conditions in the associated countries in accordance with the Copenhagen criteria. On 16 July the Commission formally presented the opinions (avis in French) as part of the Agenda 2000 report (European Commission, 1997). The opinions differed from previous enlargement rounds in some crucial respects. Most importantly, they did not evaluate the applicants’ preparedness for membership at the time of assessment, but rather in the medium term.

The Commission identified problems in each applicant with establishing the rule of law and ensuring fundamental freedoms. However, only Slovakia was given an overall negative evaluation in the form of explicit references to, among other things, the treatment of the parliamentary opposition and the lack of independence of the judiciary. As a result, the Commission recommended that Slovakia to be excluded from the group of applicants with which the EU should open accession negotiations, even though it met the economic criteria for beginning accession. The treatment of Slovakia demonstrated clearly that the Union’s political criteria were non-negotiable. Whilst there was some latitude in relation to economic issues such as market access and agricultural reform, no such approach could be adopted on the fundamental value system upon which the Union was founded.

In addition to the opinions and a report on enlargement strategy, Agenda 2000 also contained the Commission’s analysis of the key EU policies and their future development. In particular, it focused on the CAP and the Structural and Cohesion Funds, two policy sectors that together consumed a great majority (approximately 80 percent) of the EU budget (Baun, 2000: 83). The third part contained the Commission’s proposed financial framework for the 2000-06 periods. In this section the Commission argued that enlargement could be accomplished without any increased budgetary contributions from the member states. Instead, EU spending would be kept within the 1.27 per cent budget ceiling agreed at the Edinburgh summit in December 1992. The Commission’s financial perspective included spending on agricultural and structural assistance for new members and pre-accession aid for the applicant states not included in the first wave. The proposals would be the subject of intensive debate and intergovernmental negotiations over the next
two years, before a final agreement was reached at the Berlin summit in March 1999 (ibid: 84). The Commission recommended in effect that enlargement should take place in a series of ‘waves’, and that a policy of differentiation (among the applicants) should be adopted. Although this led to charges of favouritism, the Commission retorted that its strategy was not based on exclusion of any associated country but rather ‘it is a process of inclusion, which will be pursued permanently’. Reaction to the package, needless to say varied according to cost-benefit calculations of both insiders and outsiders (Brennan, 2006: 30).

Agenda 2000 helped shift the enlargement debate to new ground, according to Sedelmeier and Wallace (2000). In effect, the EU had moved to consider the practical policy and institutional implications of enlargement and away from purely external matters such as trade liberalization and political dialogue. The external was now rapidly becoming the internal. Agenda 2000 also allowed for a much more transparent analysis of progress made by individual candidate states. Each state could now compare its own performance in specific areas to that of other candidate and engage in thinking about the type of policy changes necessary to sustain progress. The availability of much more information on the differential rates of progress being made by the candidate states also arguably helped provide a template for the EU policy-makers to move the enlargement game forward in a more substantive way. It could equally be argued, however, that the Agenda 2000 further muddied the enlargement waters. The Commission’s insistence on balances and uniform language, designed to bolster reforms whilst underlining the importance of better and more substantive progress left candidate states none the wiser as to the desired pathways of reform in given policy areas. This was especially the case with CFSP and JHA. Neither did the new approach betray any clue as to the eventual date of accessions (Brennan, 2006: 31).

The main instrument that would underpin the Commission’s reinforced pre-accession strategy would be bilateral Accession Partnerships (APs). Theses would identify specific priorities for reform in each country; each applicant would make precise commitments and outline the ways in which the PHARE programme would support such
commitments. These partnerships provided, inter alia, for a single framework covering the priorities in and preparations for accession in each candidate country (European Commission, 1997). Each candidate country would receive its own specific set of accession-related goals and objectives. Future aid would then be conditional upon the achievement of specified objectives and general direction of reforms. The Commission also recommended increased participation by the applicant countries in various EU educational, cultural and technological programmes as part of the enhanced pre-accession strategy. Toward the end of March 1998 the EU finalized and approved its Accession Partnership for each of the CEE candidate states. These included National Programs for the Adoption of the Acquis (NPAAs) within a precise timetable, focusing on the priority areas outlined by the commission in its opinions. In this sense, each NPAA complemented the Association Partnership: it contained a timetable for achieving the priorities and objectives and, where possible, indicated the human and financial resources to be allocated. The Accession Partnership would also provide a single framework for EU financial aid and constitute the basis for the Commission’s annual reports on the progress of the candidate states.

Each of the Accession Partnership followed a similar format, setting out both short-and medium-term objectives. These reflected the various chapters of acquis communataire and covered areas such as the political criteria for membership, economic reform, reinforcement of institutional and administrative capacity, preparation for membership of the internal market, justice and home affairs, regional policy, and cohesion. The Partnerships would contain precise commitments on the part of the candidate countries relating in particular to democratic norms, macroeconomic stabilization, industrial restructuring, nuclear safety, and the adoption of the acquis, focusing on the priority areas identified in each of the Commission Opinions. The programming of accession priorities, as set out in the Opinions, broke down into short-, medium—and long term priorities to be adjusted in subsequent revisions of the Association Partnerships. The progress made by each applicant country would be recorded in a screening process and thereafter in individual annual reports (Brennan, 2006: 32).
Although welcomed by CEE governmental leaders, the Accession Partnerships also came in for some criticism, not least for the strictly defined conditionality that accompanied many of the constituent elements of the process. The asymmetry of positions between insiders and outsiders was obvious. Not unnaturally, CEE governments were upset at the explicit linkage within the framework of the partnerships between future aid and the progress of reforms. Sedelmeier and Wallace (2000) thus concluded that ‘the language of partnership disguises rather thinly the imposition of EU priorities’.

Notwithstanding these criticisms, however, it seems clear that the Accession Partnership provided an important institutional step toward immersing and integrating the candidate states in community structures. Familiarity with the EU best practice, with respect to issues such as the certification and standardization of professional bodies, or the norms pertaining to structural and cohesion funding would prove important as the process developed. The Partnerships thus represented a further step toward substantive institutionalization of relations short of membership.

In accordance with the priorities of the Associated Partnerships, PHARE’s role changed again. Two clear priorities emerged. First, because the capacity of the candidate countries to implement the acquis was deemed paramount, PHARE would help national and regional administrations - as well as regulatory, supervisory and other bodies-in the candidate countries to familiarize themselves with community law and procedures. Second, PHARE would continue to help the candidate countries bring their industries and economic infrastructures up to the EU standards by helping to mobilize the investment required to drive forward technological change and sectoral competitiveness. Particular emphasis was to be accorded to areas such as environment, transport, industrial plant, and quality standards in products, all areas where the EU norms were becoming increasingly demanding. PHARE was also allotted a key role in helping with institution-building in the candidate countries. This work centred on adapting and strengthening democratic institutions, public administration, and organizations that had a responsibility in implementing and enforcing Community legislation. It included the development of relevant structures, human resources and management skills and training for a wide range of civil servants, public officials, professionals and relevant private sector actors: from
judges and financial controllers to environmental inspectors and statisticians, to name but a few. After the Luxembourg summit PHARE funds were channelled specifically toward these institution-building needs. Later PHARE would be used as a learning vehicle of sorts for the administrative under-pinning of the structural funding regimes for the new member states. A review of PHARE commissioned by Gunter Verheugen in 1999 showed that the reforms introduced in 1997 had begun to show positive results even if still quite uneven in terms of outcomes (European Commission, 2000).

b) Capacity-Building Instruments

The EU’s support for pre-accession reforms in CEE also took on a more goal-oriented form with the introduction of three new instruments of support. The commission saw these instruments as the most important pillars of the re-structuring programmes underway in the candidate states. The Instrument for Structural Policies for Pre-Accession (ISPA) was launched in 1998. It provided support for the emerging regional entities in CEE and closely paralleled the existing EU structures supporting Structural and Cohesion Funding. The Special Accession Programme for Agriculture and Rural Development (SAPARD) would become the second plank of administrative capacity building. SAPARD foresaw the delegation of substantial responsibility to the candidate states themselves regarding the management of EU funds for rural development (European Commission, 2000). The commission also showed some innovation by encouraging meaningful local participation including social partners, NGOs and local representatives (European Reports, 2002). The third and final pre-accession instrument, the Twinning project, was launched in March 1998. Twinning aimed to help the candidate countries in their development of modern and efficient public administrations, with the structures, human resources, and management skills needed to implement the *acquis communautaire*. Twinning provided the framework for administrations and semi-public organizations in the candidate countries to work with their counterparts in specific member states. The main feature of the Twinning mechanism was that it set out to deliver specific and guaranteed results and not to foster general cooperation. The parties agreed in advance on detailed programmes designed to meet objectives concerning priority areas.
of the *acquis*. The key input from the member state administration came in the form of a core team made up of at least one pre-accession adviser seconded to work full time for a minimum of a year in the corresponding ministry of the candidate country, and a senior project leader responsible for the overall thrust and coordination of the project. They were supplemented by carefully planned and timed missions of other specialists, training events, and awareness-raising activities (Brennan, 2006: 33).

The assessment of such capacity-building efforts by the EU yields mixed results. In May 2003 the Court of Auditors reported on environmental aid programmes (effectively an audit of PHARE/ISPA) and on Twinning. It was clear that the acceding states still had a lot of work to do to build their administrative capacity for implementation. Some of the EU projects designed to assist institution-building could be seen, at best, as only partially successful (Phinnemore and Papadimitrou, 2004). The finding on Twinning was that it had not lived up to initial expectations. Significant progress was made, according to the auditors, in adopting Community law, but much less on implementation and enforcement. It admitted that it was ‘too optimistic’ to expect that ‘fully-functioning, efficient and sustainable ‘candidate country organization could be established within a framework of single project-eighteen months on average. In addition the court described the Twinning project as excessively bureaucratic, with lengthy periods between needs-assessment and projects realization, as well as having complicated payment systems. The old PHARE problem of deficiencies in consultant performance was again in evidence. Management shortcomings on both the candidate state and Commission sides were noted. The low level of take up of ISPA projects in some candidate countries was effective (European Report, 2000).

The PHARE annual report for 2002 and the interim evaluation produced in March 2004 (covering the period 1999 through to November 2003) highlighted the strengths and weakness of the different forms of capacity–building. The reports revealed an increased emphasis on support for national programmes (NPAAs) designed to address specific weakness identified in the annual Commission reports. The 2002 detailed spending of euro 1700 million for the year was achieved including some 191 Twinning projects.
However, some of the internal judgments on PHARE were extremely critical. The 2004 report stressed that as many as one-third of programmes proved unsatisfactory with substantial weaknesses in needs analysis and design (European Commission, 2004). The most effective of the various programmes were those in the sphere of civil society, where there seemed convincing evidence of successful capacity-building among NGOs. Despite the negative assessment of the programmes most candidate countries could point to some successes in achieving macro policy objectives by the time accession came around. Poland, despite difficulties with ISPA, succeeded in meeting most of its environmental targets. Similarly the Czech Republic could cite improved air quality as a result of PHARE-funded monitoring instruments and expert help (European Report, 2003).

c) The Luxembourg Summit

After Agenda 2000 the sequencing of both intra-EU decisions and accession negotiations started to take a much clearer shape. The issue of enlargement strategy, however, continued to be the subject of considerable debate within the Commission. This came to a start in early July 1998. By this point, there was general agreement that differentiation among the CEE applicants was necessary, and that an ‘enlargement in waves’ strategy was preferable to a common start or so-called ‘big bang’. Disagreement remained, however, on the number of countries to be included in the first wave. The main proponents of a broader first wave were Commissioner Van der Broek and the Nordic commissioners. President Santer was among those who favoured limiting the first wave to a smaller number of countries. On 10 July, after an intense week of discussion, the full Commission met to endorse van den Broek’s proposal for opening negotiations with five CEE states plus Cyprus. Thereafter, this would become known as the five-plus-one strategy. Michael Baun (2000) argues that the intervention of two important commissioners, the United Kingdom’s Leon Brittan (trade) and Germany’s Martin Bangemann (industry), was significant. Each argued that the two countries which were the main subject of debate, Estonia and Slovakia, were prepared for accession negotiations based on an objective assessment of economic performance and that to exclude them would amount to political discrimination. In recommending that the EU
The European Council, meeting in Luxembourg on 12-13 December 1997, formally decided to begin the accession process for the ten CEE states plus Cyprus. In the Presidency Conclusions the European Council underlined the historic significance of this decision, declaring that 'with the launch of the enlargement process we see the dawn of a new era, finally putting an end to the divisions of the past' (Bulletin of the European Union, 1997). To provide an inclusive framework for enlargement, the council decided to set up a European conference 'which will bring together the member states of the European union and the European states aspiring to accede to it and sharing its values and internal and external objectives' (ibid). The European council also decided that formal accession negotiations would be launched in March 1998. The decisions were generally welcomed by the applicant countries, including those not in the first wave of negotiation.

The first phase of the accession process for all applicants was the analytical examination or 'screening' of the 31 chapters of the acquis communataire. The Commission, with the help of the applicant countries, carried out this exercise. By early summer 1998 the screening process was well under way and the EU was contemplating the next step, the launching of substantive negotiations with the first-wave countries (European Report, 1998). Those negotiations actually began on 29 October, with a deputy-level meeting in Brussels between EU permanent representatives and the chief negotiator of each of the six applicant states. The European Council followed the Commission’s recommendation of a two-tier approach, even if this was to be subsumed within a ‘single framework’ that would treat the second wave candidate countries as equals and give them to chance to catch up. From this point attention focused on the Commission, which was expected to issue the first of its ‘regular reports’ on candidate countries’ progress in meeting the criteria in late 1998. The lobbying efforts of the second-wave countries were quite intense in the run-up to the publication of the Commission’s second set of regular reports in December, as government leaders from
these countries visited Brussels. The hopes of the second-wave countries were disappointed; however, whilst the commission praised the reform efforts made by the second-wave countries, it nevertheless restated its view that none was ready to begin accession negotiations (European Commission, 1998).

In the aftermath of the Kosovo war in 1999, the Commission proposed that accession negotiations should be opened with all remaining candidate countries. This was despite doubts about whether some had made enough progress in their preparations. Clearly the deterioration of the situation in Kosovo propelled much more serious thought on enlargement strategy. Momentum was in evidence from early in the year. Even the resignation crisis that destabilized the Santer commission failed to have a serious impact on the process. This strategy rethink reflected the shift in focus to South-eastern Europe and support grew for the idea of including Bulgaria and Romania in the accession negotiations. Many felt that to continue to exclude them would send the wrong message, hence undermining their efforts at political and economic reform with potentially disastrous consequences for stability and security in South-eastern Europe. It was also felt that Bulgaria and Romania should be rewarded for their (domestically unpopular) support for NATO's bombing campaign against their neighbour Serbia, a fellow orthodox country. The EU also recognized the economic hardship these countries faced in the wake of the Kosovo conflict and agreed that this deserved special consideration in the EU's decision on enlargement strategy. The UK and Germany were especially active in promoting the change of strategy, with Prime Minister Tony Blair visiting Bulgaria and Romania in May 1999 and promising to work for their inclusion in negotiations (Brennan, 2006: 36).

The Commission took the view that Slovakia alone did not satisfy the Copenhagen political criteria, but stressed the importance of institution-building in the candidate countries, especially reform of the judiciary and public administration (European commission, 1999). In justifying the Commission's new 'regatta' approach or accession negotiations, President Prodi declared that it was necessary to 'take a bold step forward'. Thus, the Commission recommended to the Council that it open accession
negotiations in 2000 with all applicants that had met the Copenhagen political criteria, and that ‘have proved ready to take the necessary measures to comply with the economic criteria’. Commenting on the decision, commissioner Verheugen argued:

This strategy will help strike the right balance between two potentially conflicting objectives in the enlargement process: speed and quality. Speed is of the essence because there is a window of opportunity for enhanced momentum in the preparations for enlargement, in accordance with the expectations of the candidate countries. Quality is vital because the EU does not want partial membership, but new members exercising full rights and responsibilities.

(Verheugen quoted in Brennan, 2006: 36)

The element of conditionality was strong once more with the Commission insisting that the opening of negotiations with Bulgaria should be conditional on a decision by the Bulgarian authorities before the end of 1999 on acceptable closure dates for the Kozludy nuclear power plant. In the case of Romania, the opening of negotiations would depend on progress in reform of childcare institutions. At an extraordinary meeting in Tampere, Finland, several days after the Commission issued its report; the European Council largely endorsed the Commission’s new strategy. A broad consensus among the member states in favour of the Commission’s plan to expand the accession negotiations was reported, thus paving the way for a formal decision at Helsinki (ibid).

At the Helsinki European Council on 10-11 December 1999 the decision was taken to formally invite the second-wave candidate’s countries – Romania, Bulgaria, Slovakia, Latvia, and Lithuania – to open accession negotiations in early 2000. It was also announced that, in the accession negotiations, ‘each candidate will be judged on its own merits’ (Bulletin of the European Union, 1999). With these decisions the EU formally abandoned the strategy of ‘enlargement in waves’ that had been adopted at Luxembourg and guided the process in the interim period. In explaining the change Commissioner Verheugen argued that the political situation had changed completely, making it necessary to adopt more inclusive strategy, in particular with respect to south-
eastern Europe. Verheugen described the summit’s decision as an historic step towards the unification of Europe, declaring ‘the iron curtain has been definitively removed’. The Helsinki summit also represented a major turning point in the EU relations with Turkey, and specifically, Turkey’s place within the accession framework. Turkey would now be considered as a candidate country although there was no question of opening negotiations at that stage. Whilst it is clear that Helsinki represented a major step forward in the process there was still an amount of work to be done to seal the deal. The next two and a half years had involved complex and protracted negotiations, periods of regression, and eventually a triumphal end to negotiations at the Copenhagen summit in December 2002 (Brennan, 2006: 36).

4) Closing the Deal: Helsinki to Copenhagen

If Helsinki had produced a commitment from the EU that enlargement was now ‘irreversible’ then the millennium began with the now familiar shadow-boxing that had characterised the process over the previous six years. The EU desired more tangible evidence of successful transposition and implementation in the candidate states, while on the candidate state side the by now regular expressions of frustration were never far from the surface. The momentum gained at Helsinki was not totally lost, however, some member states pressed the initiative using the language of the timetable outlined at Helsinki to make the case for a concrete date.

In the Commission’s third series of Regular Reports in November 2000, the same basic procedure was followed as in 1998 and 1999 (European Commission, 2000). The Commission’s attention was focused on whether the reforms announced or recommended had actually been implemented since 1998 or not. It also assessed each candidate country’s progress in terms of ability to implement the acquis. The Commission’s chief concern was the ‘revitalization’ of negotiations, to ‘take them into a more substantial phase’, and point the way toward a conclusion. The need to reinforce administrative and
judicial reform was again a major concern. As to the specific requirements embodied in the *acquis* the picture was generally positive. Many of the legislative changes that the enlargement process required either had been made or were in the process of being introduced. There was also a marked improvement in implementation capacity (Brennan, 2006: 38).

The Regular Reports were accompanied by an Enlargement Strategy Paper, which contained a new accession ‘road map’ (Bulletin of the European Union, 2000). The ‘road map’ effectively revolved around the negotiation of the 31 ‘negotiating chapters’ of the *acquis* and was understood as a timetable for complementing the negotiations, chapter by chapter, by the end of 2002 (Avery, 2004: 48). Negotiations on each chapter could only begin when both parties—the EU and the candidate countries—were in a position to communicate their respective starting positions. This process alone required a considerable amount of effort, not least on the EU side, where every draft ‘common position’ submitted by the commission had to be approved by the Council. In nine cases out of ten, this meant agreement within the Council working group on enlargement composed of middle-ranking officials in the member states’ permanent representations (Ludlow, 2004: 45-46).

**a) The French Presidency**

With substantive negotiations under way France took over the presidency of the EU in July 2000. Although many were disappointed by the results the EU did at least to manage agreement on the institutional reforms necessary to underpin the enlarged Union. The European Council also endorsed the Commission’s road map and made important gestures towards non-EU states, particularly those of the western Balkans (ibid: 47). Most commentators, however, took a very negative view of the French Presidency’s impact on the course of negotiations. At both the Biarritz summit in October and the Nice Summit in December 2000, Jacques Chirac, the French President, tried to force unilaterally formulated decisions on France’s EU partners. Matters were not helped by the complications of French domestic politics, with growing ‘cohabitation’ rivalry evident between Prime Minister Jospin and President Chirac in the weeks leading up to the Nice
summit. In fact, the French EU Presidency frequently put forward draft texts that were then opposed by the French government delegation sitting at the same table. Diplomats from the other EU states also found that points apparently agreed during negotiations in Brussels acquired a different spin after having been sent back to Paris to be formulated as texts for further negotiation (Brennan, 2006: 39).

The shabby bargaining surrounding institutional recalibration was perhaps best symbolized by President Chirac, who ‘like a late medieval pope doling out indulgences to prop up an impossible cause, ended up distributing parliamentary seats to anybody who looked likely to cause trouble’ (Ludlow, 2004: 54). All this contributed to an atmosphere in which everybody looked for trophies rather than consensus (ibid: 52). This would not be the last time that French politicians wrought controversy and uncertainty upon the enlargement negotiations. In late 2001 Foreign Minister Hubert Vedrine caused consternation in Brussels by suggesting that Bulgaria and Romania should both be fast-tracked to join the other eight CEE states in an even larger ‘Big bang’ enlargement. Citing the need for fairness and the risk of leaving the two countries behind, Vedrine argued that there wasn’t much difference between adding ten or twelve countries. Many commentators interpreted his suggestions as one designed to derail rather than accelerate enlargement and based on a view that the French government in fact was terrified at the implications of enlargement and the prospect of the EU’s centre of gravity moving eastwards. All this contributed to the existing impression that enlargement negotiations were bogged down and not likely to make much progress. Public opinion polls also tended to reflect the negative mood – in both the EU and in the candidate countries (Brennan, 2006: 39).

b) The Swedish Presidency

Sweden took on the EU presidency for the first time on 1 January 2001. Declaring definitive progress on enlargement is the central priority of the presidency from the outset and the government of Goran Persson won much applause for its handling of the negotiations. Ludlow (2004) asserts that although the Swedish Presidency was far from unblemished, the management of the accession negotiation was an unqualified success,
and that no Presidency could have done a better job. Although public opinion surveys showed Swedes to be among the EU’s least enthusiastic members, paradoxically the Swedes were the most enthusiastic about enlargement. This prompted person to remark ‘the Swedes want other countries to join the EU and our own to leave’. At the European Council summit meeting at Gothenburg on 15-16 June the EU ‘confirmed the breakthrough in negotiations and agreed the framework for the successful completion of the enlargement’. Attesting to the fact that the candidate countries had made ‘impressive progress’ in meeting the accession criteria, the European Council made two historic statements. The first declared the enlargement process ‘irreversible’. The second provided the long-awaited ‘road map’ or timetable for the first accessions by suggesting ‘the road map should make it possible to complete negotiations by the end of 2002 for those candidate countries that are ready. The objective is that they should participate in the European Parliament elections of 2004 as members’. Ludlow (2004) asserts that the language used in the Gothenburg conclusions was indicative ‘of how much the process had moved on’. First, rather than (Nice) ‘welcome new member states which are ready as from the end of 2002’, it talked about ‘complete negotiations by the end of 2002’. Second, it emphasized that the aim was to enable the new member states to take part in the European Parliament elections of 2004 ‘as members’. Another significant development was the upgrading of some of the later negotiating entrants to the top tier of negotiations. These included Slovakia, Latvia, and Lithuania. This meant ‘the principle of catch-up in the negotiations has been fully realized’, according to Gunnar Lund, the Swedish ambassador to the EU (Brennan, 2006: 40).

The breakthrough had come in the final session when Germany, which had resisted the idea of setting the end of 2002 as the date for completing negotiations, bowed to the will of a strong majority of the EU states. German hesitation had been based partly on a fear that the provision of a deadline would undermine the EU’s negotiating hand, and more importantly, by fears that Poland simply would not be ready in time (Avery, 2004: 51). The Swedish Presidency managed ‘not just to resist but to sweep away most of the objections to the enlargement’ according to one commentator. By putting the timetable in place it was clear that outstanding differences among EU member states in areas such as
agriculture and regional aid would now have to be seriously addressed. Reaction to the breakthrough was uniformly positive with speculation rising that the ‘big bang’ was not such an unlikely scenario after all. Many people had been sceptical that the big bang could be achieved. The number of such people decreased after Gothenburg (Ludlow, 2004: 57-58). The Swedish strategy could only succeed, however, because of the substantive attachment on the part of EU political elites to a normative understanding of the enlargement process. The sense of drama was captured in Prime Minister Persson’s assertion that ‘I was overwhelmed, almost every one of them [leaders of the candidate states] took the floor and expressed their gratitude for what we have done during the last six months’ (Brennan, 2006: 40).

The November 2001 annual reports, the fourth, recorded steady progress towards accession by the candidate countries (European Commission, 2001). The report also clearly indicated that the ‘enlargement in waves’ strategy had bitten the dust and that all candidates were being assessed on merit. This was neatly summed up in the definition of a so called ‘Laeken group’ of ten countries, which signalled the end of the distinction between the ‘Luxembourg’ and ‘Helsinki’ groups (Avery, 2004: 52)

c) The Danish Presidency

With momentum building in the early part of 2002, Denmark took over the presidency of the Union in July. The Danish game plan for concluding negotiations revolved around three inter-related aims: movement toward substantive agreement on Council reform; a holding operation on agriculture; and a timetable which prioritized the October European Council summit meeting. Danish Prime Minister Anders Fogh Rasmussen brought to the presidency energy, commitment and evident communication skills. As importantly, he was supported by a solid administrative and diplomatic foundation. At every level, the Danes were solidly equipped to broker the upcoming talk’s at the most critical stage in the process. Along with Rasmussen Danish Permanent Representative poul Christoffersen played crucial role in anchoring the accession talks (Ludlow, 2004: 84). There were still considerable problems to be faced, however, not least the uncertainty surrounding the German elections in September and the second referendum on the Nice
treaty in Ireland, which was due to be held in October and the outcome of which was far from certain.

5) Financial Issues

Financial and budgetary issues, although they had dominated debate on the ‘how’ and ‘when’ of the Eastern enlargement debate since Agenda 2000’s publication in 1997, were left to the very latter stages of the accession negotiations. The Danish assumed the EU presidency facing the prospect of a total disagreement among the EU-15 about how to proceed with the financial and agriculture chapters.

The Berlin agreement of 1999 assumed an entry of six countries in 2002, not ten in 2004. Some form of re-adjustment would thus have to take place in the calculations. And this was reflected in a Commission memorandum in January 2002 (European Commission, 2002). The memorandum proposed significant changes in the negotiating position of the Union but without breaking the commitment ceiling entered into at Berlin (Mayhew, 2003: 13). The essence of the Commission proposal lay in a phasing-in of both agricultural and regional aid to the candidate states, and the requirement that they pay contributions to the EU budget in full from the moment of accession. The package made a significant concession to the candidates by accepting the principle of direct aid to the CEE farmers, even if only on a gradual basis. It also provided the member states with estimates of what each country would contribute to the EU budget in the first years after accession. Commission calculations showed that in addition to Cyprus and Malta, the Czech Republic, Hungary and Slovenia would be losers in net terms. The budgetary imbalances to be redressed were not insignificant. In the end it was decided that no new member state should end up in a worse budgetary state after accession than before.

The Berlin agreement had not provided for any direct payments to farmers in the new member states. The level of uncertainty regarding the future from and nature of the CAP made it possible for a commission fudge to be utilized. It argued that the newcomers
should be given credible assurance that they would be ‘fully integrated into the CAP, whatever its nature may be’. This at least went some way to meeting the charge of second-class membership and outright discrimination (Ludlow, 2004: 68). the Commission thus went on to propose the introduction of direct payments from 2004, but on only a limited basis, beginning at 25 per cent of the EU-15 level in 2004, and progressing to parity by 2013 (Myhew, 2004: 13). The Commission judgment was informed in large part by the existence of large numbers of semi-subsistence farms in Central and Eastern Europe. The commission thus argued that introducing direct aid too quickly could slow down the restructuring process. This could create a vicious circle of low productivity, low standards and high hidden unemployment. The Commission’s paper was widely criticized both inside the EU and amongst the candidate. In the immediate aftermath the member states ‘gave an impressive display of their disunity. The confrontation was as always three-cornered, with the net contributors in one corner, the partisans of the CAP in another and the cohesion countries in yet another. All of them expressed their concerns but none more so than the French and the Germans.’ (Ludlow, 2004)

The German view that CAP reform was a precondition for enlargement to take place was accepted neither by the French nor the candidate states. The impasse suggested nothing of significance could be resolved until after the French and German elections. The deterioration in the German domestic budgetary situation was clearly an important factor behind Chancellor Schroder’s position, notwithstanding consistent German pressure for CAP reform. Schroder put it like this in the Frankfurt Allgemeine Sonntagszeitung on June 2002:

Even if many find it difficult to believe, Germany is at the limits of its capacity to pay. If I were in these circumstances to countenance the application of the direct payments system to the candidate countries, commissioner Solbes might as well start immediately to draft a series of blue letters.

(Schroder, quoted in Ludlow, 2004: 74)
To the Germans and their allies on CAP such as the UK the prospect of a midterm was to be welcomed. It opened up the possibility of using CAP reform (necessary as an end in itself) as an instrument for alleviating the financial pain of enlargement provision. It was clear also that Germany's concern were widely shared. Gerrit Zalm, the Dutch finance minister, and his Austrian counterpart, Karl Heinz grasser, both publicly voiced opposition to the extension of the direct aid programme to candidate states. (European Report, 2002)

The EU began the final lap of the accession negotiations on 19 April 2002. As anticipated the talks would cover the most difficult matters relating to finances and voting powers. The draft common position drawn up by the Commission came in for extensive review and discussion in the council working group on enlargement whilst bilateral talks between the Commission and the candidates accompanied this process. The Germans, the Dutch, and other net contributors clung firmly to their objections and refused to sign blank cheques before they knew what CAP reform paper was in the fischler. In an effort to calm fears of a delay in enlargement ministers pledged to reach an agreement on direct payments at the EU summit in Brussels in October. Commissioner Verheugen aptly summed up the sense of drift in his address to the European parliament on 12 June when he admitted: 'there are winds of resistance growing. The climate has become more brutal, more sceptical ...all based on a lack of knowledge and fear'. Chancellor Schroder in a newspaper interview again re-iterated that Germany could not and would not bear the cost of extending the CAP eastward (European Report, 2002).

On 10 July 2002, Franz Fischler presented his long-expected mid-term review of the CAP. Its main proposals included first, and most importantly, a decoupling of the link between production and direct payments. The Commission recommended that the whole payments system should be replaced by a single payment per farm, the level and character of which would no longer be linked to production. Second, the Commission argued for a reinforcement of environmental, food safety, animal welfare and occupational safety standards. The new payments would be conditional on the recipients'
respect for these enhanced standards, thereby increasing the pressure on farmers to follow 'good farming practices'. In addition new schemes in quality assurance and food certification were proposed. Third, there was increased support for rural development particularly by small farmers. This would be achieved by a new system of 'dynamic modulation', which would reduce direct payment by 3 per cent per annum to farmers (Ludlow, 2004: 129-30). The reforms were much more ambitious than most had expected and, according to Ludlow (2004) the 'thrust was unpalatable'. Rasmussen, as incoming President of the EU, sought consistently to decouple the enlargement negotiations from debates about CAP reform. But agriculture would continue to complicate the enlargement negotiations to the end.

6) The 2002 Regular Reports

The next important milestone in the process would be the (earlier than usual) publication of the Commission's annual reports prior to the October Brussels European Council. The reports divided into two parts. The first consisted of a series of so-called regular reports on progress made by the candidates in specific areas (more or less conforming to the negotiating chapters of the acquis). The second- the strategy paper- represented a macro-political analysis of overall progress (European Commission, 2002). Given that the political desire for enlargement had been ratcheted up, however, by the Gothenburg timetable, it was clear that these reports would not simply consist of a functional reporting of progress but indicate also a definite political determination to complete the process. The Commission's determination to conclude the process successfully was manifested in a change in the language employed in the Strategy Report. From an early version, which stated that candidates 'should' be ready to assume the obligations of membership in 2004, the final version inserted 'will' over 'should', thus signalling the Commission's desire to bring finality to the process. The Commission also endorsed what was already accepted, namely that once the accession treaty had been signed, and the new
member states in waiting should become active observers in all community institutions and activities. In addition, the Commission also proposed detailed monitoring of the application of Community law in the acceding member states. Six months before the accession date a comprehensive monitoring report, not dissimilar to the regular reports, would be produced. This was unprecedented in previous enlargement rounds and more than anything else reflected the serious gap in legislative implementation still in evidence (Brennan, 2006: 46).

The task of improving the administrative and judicial capacity of the acceding states was also central and had been prioritized in the pre-accession agreements and the NPAs. Although the Commission had worked with each candidate country on an action plan to reinforce their administrative and judicial systems there still existed serious gaps not only in legislation, but in necessary complimentary measures, such as setting up management structures and authorities, establishing coordination and arbitration systems, the training of judges and upgrading of its system. Acknowledging the ongoing difficulties in capacity-building the Commission proposed a special, three-year transitional facility for institution-building after accession. In a sense this was an acknowledgement of failure to build up capacity over the past number of years, or at least to do enough, but more importantly it represented a commitment to substantive help in respect of ongoing reform efforts (ibid).

Administrative capacity became an even more prominent issue in the run-up to the accession date in 2004 with revelations that the acceding member states were having great difficulty in finding suitable projects to match spending appropriations. The Commission warned that there was a great risk that the new member states would not be able to use euro 22 billion allocated to them under the Structural and Cohesion Funds in the programming period 2004-6. Most concern was centred on the apparent failure to fully transpose and implement the necessary statutory legislation. Corruption continued to be a serious impediment to progress. An Open Society Institute publication, corruption and anti-corruption policy, suggested the EU had ‘missed or neglected’ a number of key areas in examining corruption—state capture, public procurement, and public
administration in particular’. Collusion between public procurement bidders ‘appears to be wide-spread’ (ibid).

Although the negotiations continued to deliver results, there remained some troubling issues, which had the capacity to wreck the timetable if not the negotiation themselves. Three in particular stood out in the early autumn of 2002 in the run-up to the crucial Brussels European Council summit. The first was the second referendum on the Nice treaty in Ireland, which the Irish government went some way toward turning into a referendum on enlargement (Brennan, 2003: 5-14). The second issue was how the net contributors would deal with the financial implications of enlargement. Finally, there was the destabilizing impact of the Dutch government’s political problems to contend with. In particular, one of the three coalition parties, the Dutch liberal party (VVD), sought to whip up fears about enlargement. As early as 1 October, the VVD minister for European affairs, Atzo Nikolai told the financial times Deutschland that his government would not sanction direct payments to candidate country farmers unless there was at the same time a clear commitment by present member states of the EU to reform the CAP: ‘no phasing in without phasing out’. The Dutch, he declared, were bigger net contributors to the EU budget than even the Germans. At a time when the new coalition was pledged to austerity at home, it could not countenance additional burdens abroad (Ludlow, 2004: 166). Gerrit Zalm, the influential VVD leader and former Finance Minister, argued that the entry of most candidate states as planned by the commission was premature. In an interview on 13 October Zalm claimed that Poland in particular and also Slovakia and Latvia were not ready to take up the obligations of membership. Other members of the VVD expressed strong doubts about Latvia’s membership. Sources close to the Dutch government asserted publicly that the decision to be taken in December should not be irrevocable and that, until eventual accession in 2004, it should always be possible to say no to a candidate country that does not meet the criteria. Eventually the caretaker government of Jean Peter Balkenende agreed that it would not exercise a veto over enlargement but insisted on some greater guarantees on monitoring especially of frontier controls. The amount of time given over by Rasmussen and the Danish presidency to ameliorating Dutch concerns was considerable in the run up to Brussels (Brennan, 2006: 47).
7) The Brussels European Council

In advance of the Brussels European Council in October 2002 there was considerable pessimism that the meeting would fail to resolve important issues such as CAP reform, the financing of enlargement, and outstanding institutional issues. The proposals of the commission remained simply proposals (Mayhew, 2004: 15). Disagreements on direct payments to candidate state farmers continued to generate tension and also entangled the enlargement negotiations in the debate on the future of the CAP. As Mayhew (2004) points out this meant that as the negotiations proceeded the country’s most in favour of enlargement, Germany, Sweden, the UK and the Netherlands were those against conceding direct income subsidies to the new member states because this would impede the reform of the CAP, while countries traditionally less positive about enlargement, such as France, Portugal and Ireland, were in favour of accommodating CEE preferences. More positively Coreper and the GAERC managed to resolve a lot of outstanding difficulties before the actual European council meeting took place (Brennan, 2006: 45).

At the summit meeting itself the European Council agreed to the Commission’s proposal on direct income subsidies, whilst simultaneously agreeing that budgetary expenditure on market support and direct income subsidies in the period 2007-13 could not rise by more than 1 per cent per year over the level reached in 2006 (Mayhew, 2004: 15). The dispute about CAP, however, produced ‘an open clash between prime minister Blair and president Chirac at the table, and, it is said, an even sharper one in the margins of the meeting’ (Ludlow, 2004: 187). Chirac’s suggestion of tying CAP reform to re-negotiation of the UK budget rebate, which had been in place since 1984, was rebuffed not just by the British but also by Rasmussen who argued: ‘if we rise all of those questions, we will never finish’. Many saw France as the undisputable winner in the deliberation over agriculture (European Report, 2002). This was not least because the agreement delayed any lowering of expenditure on the CAP. There was significant
resentment at the ‘private deal’ on agriculture thrashed out between Chirac and Schroder at a pre-summit meeting at the hotel Conrad in Brussels. Despite constant protestations from Germany about the need to ensure that the cost of enlargement would not be excessive, it looked to many as if the outcome of the Chirac-Schroder Cornard meeting indicated that Schroder was prepared to accept continuing to shoulder the expense of CAP and extending it to new member states as the price to be paid for a successful enlargement (Brennan, 2006: 46).

The Brussels European Council cleared the way for the negotiations to move to a conclusion. But the intra-EU bargaining was far from concluded. There remained significant hurdles and time was running out quickly. Poul Christoffersen, the Danish Permanent Representative believed, however, that an intra-EU negotiation would endanger the Presidency’s timetable. He therefore decided to dispense with it. On that basis the Presidency and the Commission proceeded to prepare a ‘final offer’ that Ludlow argues went well beyond the ‘absolute limits’ laid down at the Brussels Council. Subsequently there was ‘consternation’ when Christoffersen announced his plan to Coreper on 25 November (Ludlow, 2004: 219). It presented a ‘calculated risk’ that Copenhagen would present an opportunity to iron out difficulties. What the Commission and the Presidency dubbed ‘the final week of November was thus their final position and not that of the EU-15. It is highly unusual for the Presidency to operate without a mandate from the member states, yet it was, Denmark believed, the only way to progress the negotiations to a conclusion in the short time left (European Report, 2002).

The joint Presidency-Commission paper went some way toward tackling the considerable difficulties of the candidate countries. This meant, inevitable, increasing the costs of enlargement to the existing member states. The proposal raised considerably, for example, the payments for the decommissioning of nuclear facilities in the acceding states (Mayhew, 2004: 17). Cumulatively they implied a significant increase in the EU spending over the three-year period, compared with the Brussels European Council figures. According to estimates attached to the 8 November document, total commitments would be just over euro 1 billion higher than the heads of state and government had
agreed to at the Brussels meeting, even though, by moving the accession date forward January to May 2004, the Union should in principle have been saving a significant amount of money. It was inevitable that such proposed increase would be contested, perhaps vigorously, by some of the member states (Ludlow, 2004: 235).

On 24 November Christoffersen presented, as part of the final negotiating package, a revised budget proposal. Although coming in at about euro 1 billion less than that of the Commission in January 2002, it was nevertheless significantly more (about euro2.5 billion) than that proposed at Brussels in October. The budget included Euro 900 million for a so-called ‘Schengen facility’, to reimburse candidates for the expenditure, and to accelerate their preparations on border control; Euro 600 million for decommissioning nuclear power plants; and euro 1 billion as a lump sum for budgetary compensation, to be distributed among the new member states on the basis of their GNI (Brennan, 2006: 47). Although some of the permanent representatives expressed concern about and even opposition to the package, Christoffersen was not for changing course. His opposition was that governments would have ample room to negotiate with the Presidency in the weeks ahead. In both Germany and the Netherlands the proposals generated considerable unease, being seen as far too generous and having been conceded far too early in the final negotiating process. The Commission and Presidency were thus presented as ‘allies’ of the candidates rather than negotiators on behalf of the EU-15. Both chancellor Schroder and Foreign Minister Joschka fischer argued that the Brussels figures had to be respected, as did President Chirac on another bilateral visit to Germany (ibid).

The package, of course, was not read routinely in all the candidate countries. In fact adjusted for population size there seemed to be some remarkable differences. The Baltic States emerged well over the period 2004-6, Poland and the Czech Republic significantly less so. Thus the likelihood of very difficult negotiations with the latter group of candidate states now presented itself. For many states the prospect of referendums on membership to follow the conclusion of negotiations meant that securing a generous financial package was of the utmost importance if the accession deal was to
be sold domestically. Not surprisingly the Polish government was proving particularly
difficult. A formal statement from the ten heads of government after a meeting in
Warsaw highlighted many of the difficulties the candidate countries had with the
package. The statement called for greater budgetary relief, a faster phasing-in of farm
subsidies, and a ‘fair balance of the rights and obligations of membership’. Less pressing
issues related to the problems of individual countries continued to be
worked on if not solved. The candidate states seemed to be moving in private toward
greater realism in their negotiating positions and it was striking that their most
contentious demand - on full and immediate access to direct payments - was not even
mentioned in the formal exchange at the meeting. The Danish Presidency presented its
draft ‘final package’ to each of the ten leading candidate states on 26 November - but
without any certainty it would be accepted by the candidates or by the EU member states
(ibid).

8) The Copenhagen European Council Summit

For many observers it was fitting that the endgame of the Eastern enlargement
negotiations would be played out at Copenhagen. After all it was at Copenhagen in 1993
that the EU had taken the first important steps toward accepting the former communist
states into its ranks. Going in to the summit meeting the rhetoric of the main players
demonstrated no more than a cautious optimism. One early indicator of the negotiating
difficulties was the cancellation of the reception and dinner at the Christianborg Palace
(Ludlow, 2004: 283). The sense of occasion and nervousness was captured in a letter to
the Gazeta Wyborzca from many of the leading figures in the communist dissident
movements who feared the collapse of the negotiations and the opportunity to re-unite the
continent: ‘we urge that the original idea of solidarity in a united and democratic Europe
should not be buried under the negotiations and group and local lobby interests’
(Brennan, 2006: 49).
The most important question to be addressed remained the size and shape of the final financial package for enlargement. In effect the Danish Presidency ‘took a punt’, to use a gambling expression, on the Copenhagen summit delivering the right result, on the member states not being able to countenance disappointing the candidate states again with another delay. Given the problems experienced at Nice and protracted arguments on the cost of enlargement this was a considerable risk to run. As far as the financial package was concerned the Presidency made clear that this was a matter for the heads of state and government at the summit meeting. Gerhard Schroder, before leaving Berlin, told journalists that a fifth enlargement without Poland was simply inconceivable. The Danish Presidency took this as a signal of Schroder’s willingness to go that extra mile for a fair accord. This hopefulness was not as obvious in Warsaw, where after a whole day’s meeting of the Polish Council of Ministers it was still less than clear what the Polish bottom lines might be (Ludlow, 2004: 286-89). The Polish position was extraordinary in negotiating terms. Prime Minister Miller was supported by this coalition partner and deputy Prime Minister Jaroslav Kolinowski, of the Polish Peasant’ Party, who over the previous few months had repeatedly threatened to quit the government if Poland failed to get a good enough deal. Miller was being far from disingenuous when claiming that if the deal for Poland was not improved his government would implode. And this was of the utmost importance as the negotiations at Copenhagen were largely centred on the bilateral negotiation between Poland and the EU (Mayhew, 2004: 18).

The ‘final offer’ made by Rasmussen was the revised version of the lengthy paper on the financial package which had been represented to Coreper on 25 November and reflected developments in the last pre-Copenhagen round of negotiations with the candidates on 9 December and the GAERC meeting of 10 December. The total package of financial aid amounted to euro 40.8 billion (to 2006). But given that the new member states would also contribute to the budget something approaching euro 15 billion, the net figure was reduced to about euro 25 billion. The commission thus suggested a net cost for ten countries over three years of just Euro 10.3 billion per annum, which amounted to just one-thousand of EU GDP (Ludlow, 2004: 299).
The Polish delegation continued to express disquiet. What was to be done? It seems clear that Verheugen was quite heavily involved with the German government incoming up with the idea for a transfer of some money earmarked for future structural operations into a special cash flow facility, which Christoffersen had created after Coreper on 25 November. For the Poles the merit of this was first and foremost that it involved the delivery of cash up front rather than commitments into the future (ibid: 301). A figure of about euro 1 billion extra could thus be produced for the poles. This was because German Chancellor Schroder agreed to another euro 1 billion being found for Poland but only by a process of re-classifying money earmarked later for regional aid as a straight and immediate cash transfer. This certainly constituted a negotiating success for the Poles. They clearly envisaged difficulties in finding enough viable projects for regional aid. But the ‘cash flow facility’ instead represented a lump sum paid into the national treasury with few strings attached (Ludlow, 2004: 303).

Once this measure was agreed the success of the negotiations was guaranteed. The successful conclusion of the Eastern enlargement process was then announced to the world press in suitably colourful language. The outcome was one which ‘testifies to the common determination of the peoples of Europe to come together in a Union that has become the driving force for peace, democracy, stability and prosperity on our continent’ (Bulletin of the European Union, 2002). Whatever the nature of the descriptive, the deal had been successfully concluded.

Reaction to the summit focused on the historic nature of the outcome as well as the outstanding contribution of the Danish Presidency. Others took the historical view that this meant, finally, the closing of the darkest chapters in Europe’s history. Poland’s daily Rzecopolita summed up the acceding states mood: ‘good morning Europe’. The Czech daily Lidove Noviny asserted: ‘a new Europe is born’. The Hungarian broadsheet Magyar Hirlap announced: ‘the end of divided europe’. Not surprisingly British Prime Minister Tony Blair felt the hand of history once more upon all present! Not all commentators were as dewy-eyed. In the Eurosceptic London times Roger Boynes castigated the EU for ‘behaving disgracefully…bullying and bludgeoning Central
Europe’ and cautioned the newcomers on dampening their entrepreneurial spirit within a stagnant EU economy. Conservative leader Ian Duncan Smith attacked the EU for delaying enlargement for so long. The overriding feeling, however, both in the EU and the accession states, was one of relief that the negotiations, which had seemed to teeter on the brink of collapse at regular intervals, had been brought to a successful conclusion (Brennan, 2006: 49).

9) Complementing the Formalities and Tying the Knot

The interregnum between the Copenhagen summit meeting and the signing ceremony in Dublin on 1 May 2004 was not without its moments of excitement. The American-led invasion of Iraq bought to the fore important differences in respect of attitudes to European foreign policy. President Jacques Chirac succeeded in alienating a great number of the new member states in castigation them as ‘infantile’ and ‘reckless’ because of their support for the United States as the accession terms were studied closely. In Poland small farmers were the most vocal in their criticism of the Copenhagen package. Religious groups also complained when it became clear that Poland’s accession treaty was not going to include a measure to ban same-sex marriages. All of this boded ill for the referendum (ibid).

The finalized text of each accession treaty was the outcome of intensive discussion during January 2003 between the Commission and the acceding states, and was not significantly different from that which was negotiated at Copenhagen. The treaty itself consisted of two parts; the first listed the acceding countries and their dates of accession as well as the official languages in which the treaty was drawn up. The second part was much more complex and voluminous, being composed of five parts, nine protocols, 44 declarations, the final act, and 18 annexes. The complete set of documents, drawn up in 21 languages, each occupying 1,000 pages in the official journal or up to 6,000 pages in normal text, was then deposited officially in the archives of the Italian
government. The sheer complexity of the treaties threw open different interpretations. The EU stance was simply: any changes were merely the consequences of detailed clarifications. The accession treaty itself was signed at the foot of the parliament in Athens on 16 April 2003. The Athens daily Apoyevmatini referred to the accession treaty as a 'contract of hope'. The EU’s expansion not only guaranteed a peaceful future, but would increase solidarity among the member states. German Chancellor Gerhard Schroder declared: ‘With this step, the Union is finally overcoming the division of Europe into east and west... just like the Berlin Wall [in 1989] today it is a reason for shared joy – joy that we are creating a united and peaceful Europe’. The declaration which accompanied the Accession treaty and was signed by all 25 signatory heads of state or government was explicit in setting out fundamental basis not only for the enlargement being realized but the European integration process itself:

Our achievement is unique. The Union represents our common determination to put an end to centuries of conflict and to transcend former divisions on our continent. The Union represents our will to embark on a new future based on co-operation, respect for diversity and mutual understanding. Our Union represents a collective project: a project to share our future as a community of values.


The sui generis nature of the European Union and the determination to further transpose its value system on to neighbouring states and regions was also clearly emphasized:

Accession is a new contract between our citizens and not merely a treaty between states. As citizens of this new enlarged union we proclaim our commitment to the citizens of the candidate countries. We are also committed to developing ever deeper ties and bridges of cooperation with our neighbours and to share the future of this community of value with others beyond our shores.

(Brennan, 2006: 50)

10) The Accession Referendums

In the aftermath of Copenhagen attention turned toward the accession referendums that were planned for each acceding state. Recent experience of the referendum process in Denmark and Ireland had demonstrated that voters simply could not be taken for granted.
And although 'yes' votes were expected in most states there arose concern about unfavourable opinion polls in Poland, Hungary and Estonia especially.

Table: Results of EU accession referendums in Central and Eastern Europe

<table>
<thead>
<tr>
<th>Country</th>
<th>Ref. Date</th>
<th>Yes (%)</th>
<th>No (%)</th>
<th>Turnout (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>23 March 2003</td>
<td>89.66</td>
<td>10.34</td>
<td>55</td>
</tr>
<tr>
<td>Hungary</td>
<td>12 April 2003</td>
<td>83.76</td>
<td>16.24</td>
<td>46</td>
</tr>
<tr>
<td>Lithuania</td>
<td>10-11 May 2003</td>
<td>89.92</td>
<td>10.08</td>
<td>64</td>
</tr>
<tr>
<td>Slovakia</td>
<td>16-17 May 2003</td>
<td>92.46</td>
<td>7.54</td>
<td>52</td>
</tr>
<tr>
<td>Poland</td>
<td>7-8 June 2003</td>
<td>77.45</td>
<td>22.55</td>
<td>58.85</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>13-14 June 2003</td>
<td>77.33</td>
<td>22.67</td>
<td>55.21</td>
</tr>
<tr>
<td>Estonia</td>
<td>14 September 2003</td>
<td>66.92</td>
<td>33.08</td>
<td>63.4</td>
</tr>
<tr>
<td>Latvia</td>
<td>20 September 2003</td>
<td>67</td>
<td>32.3</td>
<td>72.53</td>
</tr>
</tbody>
</table>

(Source: Brennan, 2006: 51)

A more likely scenario was that turnout figures would fail to reach the required threshold levels in a number of states. If that happened the accession referendums would fail, at least in those states where reaching the threshold level was a constitutional requirement. The first state to vote on the Accession Treaty was Malta on 9 March. The result there – a ‘yes’ vote of 53 percent – undoubtedly emboldened pro-Europeans in Central and Eastern Europe. This was followed by a comfortable majority in Slovenia, despite public opposition to the war in Iraq, which had complicated the government’s case for a ‘yes’ vote. The Slovak referendum on 16 and 17 May resulted in a resounding vote for accession, although again on a less than overwhelming turnout. The Polish referendum
held over two days on 7 and 8 June resulted in a strong ‘yes’ vote once again and was achieved on a relatively high turnout of almost 60 percent. In the Czech Republic on 13 and 14 June a turnout of 77.3 percent saw a winning majority of 55.2 percent of votes cast. Estonia voted to join the EU by a decisive 67 percent to 33 percent in its vote on 14 September 2003 on a turnout of 66 percent. Latvia completed the set on 21 September with a similar 67 percent ‘yes’ vote. There was widespread relief after the latter result as Latvia had been seen as the most Euro-sceptic of the candidate states. With the referendum process complete national ratification procedures were fully realized. (Brennan, 2006: 59)

At the Salonika summit attention turned naturally enough to the Balkans and the prospect of further enlargement. The EU leaders effectively promised the political direction necessary to guide the region toward and possibly into the EU. As Romano Prodi put it: ‘Europe’s unification will not be complete until the Balkan countries are members of the Union’ (Ibid). The task of maintaining momentum toward the accession date was, as ever, that of the Commission. In its so-called ‘comprehensive monitoring reports’ of 5 November, a post-negotiation continuation of the screening reports of previous years, the Commission made it clear that although there were no serious obstacles now in the way of accession, the problems still being experienced in implementing EU legislation in the acceding states might mean the imposition of safeguard clauses which had been outlined in the accession treaty (European Commission, 2003).

For all of the caution on the EU side, however, there was also a palpable sense of relief that the most difficult and protracted enlargement negotiation in its history had been successfully concluded. The fact that the honour of hosting the accession ceremony fell to Ireland during its 2004 presidency of the EU was highly symbolic in that Ireland had joined the Community as a poor peripheral state, best by economic underperformance and high emigration, and made membership of the Union work for it by transforming and modernizing its economy. Ireland indeed was an exemplar of what the EU membership offered for the new member states (Brennan, 2006: 52)
To sum up the discussion in this chapter, we find that in implementation of the EU’s programmes and policies, several levels of negotiations had taken place. These negotiations were critical in determining how quickly the CEE countries had adapted to EU norms so that they soon received all attributes of membership. Despite the Commission’s assertion that there should be no derogations and that transitional periods must be limited in scope and duration, both sides had an incentive to negotiate transitional arrangements in number of sensitive areas. However, there were pressures to limit their scope because of concerns on the CEE side that transitional periods should not result in less than full membership and on the EU side that they should not distort the single market. All these concerns as well as the challenges that EU had faced in the implementation of its programmes and policies shall be the basis of the next chapter, which exclusively deals with it.