

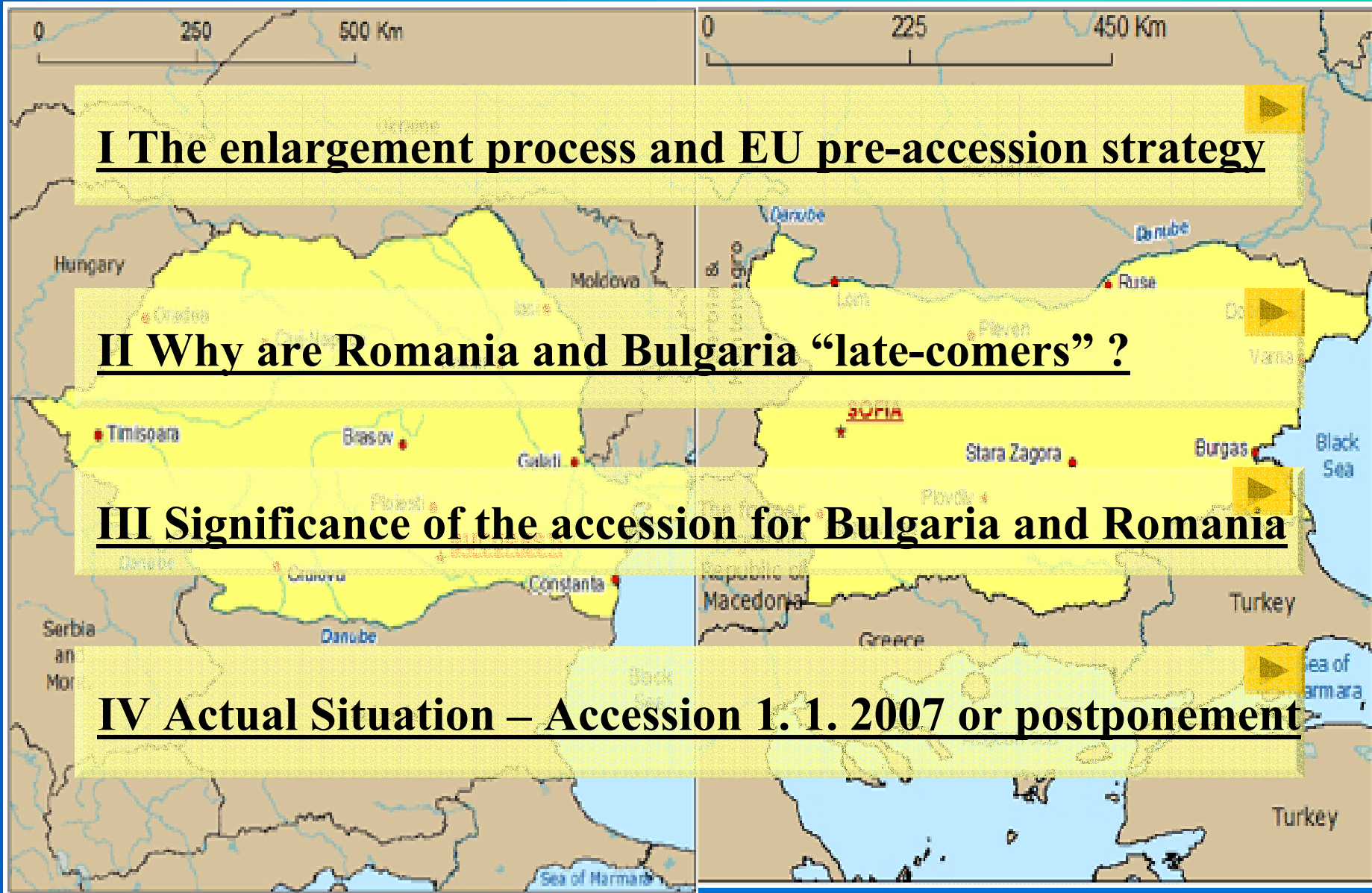
# ENLARGEMENT – THE CASES OF





**„The relationship is one of obvious asymmetry of interdependence, and hence power [...]. The EU has all the benefits to offer [...]. The CEE countries, by contrast, have little to offer the EU [...] and little to bargain with because the desire of their political elites to join is generally much greater than that of the member-states to let them in. This asymmetry of interdependence allows the EU to set the rules of the game in the accession conditionality.“**

**Heather Grabbe,  
Centre for European Reform, London, and Wolfson College, Oxford**



## I The enlargement process and EU pre-accession strategy

## II Why are Romania and Bulgaria “late-comers” ?

## III Significance of the accession for Bulgaria and Romania

## IV Actual Situation – Accession 1. 1. 2007 or postponement



# I The enlargement process and EU pre-accession strategy



## 1. The theoretical basis for the enlargement process

- 1.1. The admission criteria
- 1.2. The formal accession process
- 1.3. Roadmaps for Bulgaria and Romania

## 2. The pre-accession assistance of the EU

- 2.1. Accession Partnership
- 2.2. Financial Programmes



# 1. The theoretical basis for the enlargement process



## 1.1. The admission criteria

- **June 1993: European Council in Copenhagen**  
**Fixation of political, economic and acquis criteria for admission.**



## The Copenhagen Criteria

### Membership requires:

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



# 1. The theoretical basis for the enlargement process



## 1.1. The admission criteria

- **June 1993: European Council in Copenhagen**  
The fixation of political, economic and acquis criteria for admission.
- **December 1995: European Council in Madrid**  
Specification of admission criteria, notably in view of the capacity to fully serve the *acquis communautaire*.



# 1.1. The theoretical basis for the enlargement process



## 1.2. The formal accession process

- 1995, 22 June: Application Romania
- 1995, 14 December: Application Bulgaria
- 1997, 15 July: EU-Commissions Opinion on Romanias & Bulgarias application  
and: Agenda 2000





## The EU pre-accession strategy:

- **Bilateral negotiations**
- **Negotiations keep key role**
- **Basis of accession: *acquis communautaire***
- **Prevention of transition periods**
  
- **For evaluation:**
  - Regular Reports (1998 – 2004)
  - Monitoring Reports (since 2005)



# 1. The theoretical basis for the enlargement process



## 1.2. The formal accession process

- 1995, 22 June: Application Romania
- 1995, 14 December: Application Bulgaria
- 1997, 15 July: EU-Commissions Opinion on Romanian & Bulgarian application  
and: Agenda 2000
- 1999, December: European Council in Helsinki decides opening of negotiations with Helsinki-group
- 2000, February: Formal beginning of negotiations
- 2000, December: EU-Summary in Nice
- 2002, November: Roadmaps for Bulgaria and Romania



# 1. The theoretical basis for the enlargement process



## 1.3. Roadmaps for Bulgaria and Romania

- 2002, 13 November
- Highlighting of main steps having to be taken to advance the accession process
- For acquis chapters: benchmarks
- Evolution
- Does not imply any new commitments
- Criteria of evaluation:
  - Administrative and judicial capacity
  - Economic reform
  - The Chapters of the acquis



# 1. The theoretical basis for the enlargement process



- 2004, 6 October: Strategy Paper
- 2004, December: Closure of negotiations
- 2005, 25 April: Accession Treaty signed in Luxembourg



- 2005, 11 May: Ratification by Bulgaria
- 2005, 17 May: Ratification by Romania



## 2. The pre-accession assistance of the EU



### 2.1. Accession Partnership

- **Set up in the Agenda 2000 in view of CEE enlargement**
- **Priorities:**
  - One framework for different forms of support
  - Familiarize applicants with EU procedures and policies
- **Individualized help**
- **Definition of instrumental framework and setting up of a time table**
- **For Bulgaria and Romania:**
  - adopted in March 1998
  - amended in Dec 1999, Jan 2002 and May 2003



## 2. The pre-accession assistance of the EU



### 2.2. Financial Programmes

- PHARE
- ISPA
- SAPARD



## PHARE

- **Objectives:**
  - Strengthening the administration
  - Promote convergence with *acquis communautaire*
  - Promote economic and social cohesion
- **Priorities:**
  - Institution Building
  - Economic and Social Cohesion
- **Budget:**
  - for Bulgaria 2004-2006: 411 m €
  - for Romania 2002-2006: 1,9 bn €



## ISPA

- **Objectives:**

- economic and social cohesion
- familiarize applicant with policies, procedures and funding principles of the EU

- **Focus:**

- Transport
- Environment

- **Budget:**

- Budget for Bulgaria and Romania in 2004: 452 m €
- Budget from 2004-2006 is for Bulgaria 440 m € and for Romania 1 bn €





## SAPARD

- **Objectives:**

- Helps countries to deal with problems in agricultural and rural areas
- Promote agriculture acquis implementation

- **Budget:**

- for Bulgaria and Romania in 2004: 225,2 m €
- from 2004-2006 is for Bulgaria 225 m € and for Romania 526 m €





## II Why are Romania and Bulgaria “late-comers”?



- Which factors have been decisive for the fact that Romania and Bulgaria could not accede to the European Union in 2004?



# overview



- introduction

- 1. difficulties of orientation and stabilization after 1989

- 1.1. “old wine in new bottles”**

- 1.2. a lack of motivation for the EU?**

- 2. exemplary analysis of three important problem areas

- 2.1. economic area: problems in transition to market economy**

- 2.2. the problem of corruption**

- 2.3. ethnic minorities as a specific problem area**

- conclusion



# 1. difficulties of orientation and stabilization after 1989



## 1.1. Problems of transition: negative preconditions



- Romania
- problematic heritage of the Ceausescu regime and the “stolen” revolution of 1989:
  - persistence of old elites
  - no grown civil society
- first half of 1990<sup>th</sup>: no consequent long term reforms



## 1.1. Problems of transition: negative preconditions



- Bulgaria:
- **traditionally very strong connection with Moscow**
- **In the events of 1989/90: Bulgaria perceived as only a little domino**
- **after 1989:**
  - **persistence of old elites, semi-authoritarian structures**
  - **“historical weakness of civil society”**
  - **strong polarization, division of society and political dicourse**
- **paralysing impact on transition-process and reforms**



- **“old wine in new bottles”**: revolutions and new constitutions, but de facto no real structural change after 1989
- **Romania and Bulgaria already behind other Eastern European states**



## 1.2. a lack of motivation for the EU?



- Romania under the first mandate of president Ion Iliescu (1990 -1996 and 2000 -2004):
  - specific view on the EU and Romania's role in a new European system
  - serious efforts in accession process only since 1997/98
- contribution to the late-comer status







## 1.2. a lack of motivation for the EU?



- Bulgaria at the beginning of the 1990<sup>th</sup>:
  - **ambiguity in political orientation:**
  - **domestic policy: former communists vs. democrat and liberal forces**
  - **foreign policy: development of cooperation with EU, accession to Council of Europe vs. traditional axis Moscow – Sofia (-Belgrad)**
- **finally –but *later* than in other countries– the European course prevailed**



## 2. exemplary analysis of three important problem areas



## 2.1. economic area: problems in transition to market economy



- Romania
- no long-term strategy for economic reforms until 1997
- elements of the economic problem area in Romania:
  - centralism and bureaucracy
  - difficulties in the privatization process
  - ineffective agriculture (record in Eastern Europe!)
  - low labour productivity
- economic crisis in 1997 (inflation rate 155%)



## 2.1. economic area: problems in transition to market economy



- similar situation in Bulgaria in the first half of the 1990<sup>th</sup>:
  - political instability → no foreign investors
  - decline of Bulgarian economic production (1989 to 1993 – 30%)
  - one of the hardest crisis of the national bank- and currency-system in all post-communist states in Eastern Europe; close to a total collapse
  - external factors



## 2.1. economic area: problems in transition to market economy



change of the gross domestic product (GDP) in % in comparison to previous year level

	1995	1996	1997	1998	1999	2000	2001	2002
→Bulgaria	2,9	-9,4	-5,6	4,0	2,3	5,4	4,0	4,0
Estonia	4,3	3,9	9,8	4,6	-0,6	7,1	5,0	4,5
Latvia	-1,6	3,7	8,4	4,8	2,8	6,8	7,7	4,8
Lithuania	3,3	4,7	7,3	5,1	-3,9	3,8	5,9	4,7
Poland	7,0	6,0	6,8	4,8	4,0	4,0	1,1	0,8
→Romania	7,1	3,9	-6,0	-4,8	-1,1	1,8	5,2	4,2
Slovak Rep.	6,5	5,8	5,6	4,0	1,3	2,2	3,3	4,0
Slovenia	4,1	3,5	4,6	3,8	5,2	4,6	3,0	2,6
Czech Rep.	5,9	4,3	-0,8	-1,0	0,5	3,2	3,3	2,2
Hungary	1,5	1,3	4,6	4,7	4,2	5,2	3,7	3,4



## 2.1. economic area: problems in transition to market economy



GDP per capita (average of EU 15 = 100%)

	1995	1996	1997	1998	1999	2000	2001	2002
→Bulgaria	33	30	28	28	28	26	25	31
Estonia	34	35	38	39	39	40	40	45
Latvia	25	26	27	28	29	31	33	32
Lithuania	32	33	35	37	35	36	39	38
Poland	35	36	38	38	39	41	40	37
→Romania	28	29	27	25	24	24	25	25
Slovak Rep.	46	48	49	50	49	46	47	49
Slovenia	63	64	66	67	68	68	70	70
Czech Rep.	62	64	62	60	59	57	59	60
Hungary	46	46	47	48	49	50	53	52



## 2.1. economic area: problems in transition to market economy



→ economic data underline late-comer situation of Romania and Bulgaria



## 2.2. the problem of corruption



- Definition of “corruption” (transparency international):  
operationally defined as the misuse of entrusted power for private gain.
- further differentiation between
  - "according to rule" corruption: **facilitation payments, where a bribe is paid to receive preferential treatment for something that the bribe receiver is required to do by law**
  - "against the rule" corruption: **a bribe paid to obtain services the bribe receiver is prohibited from providing.**

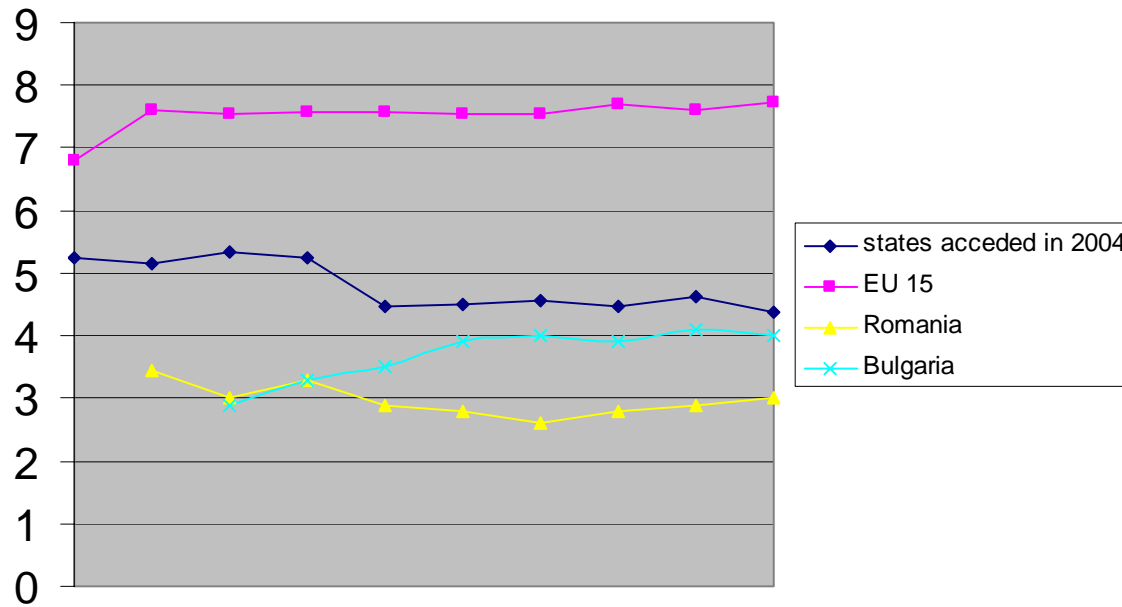




## 2.2. the problem of corruption



**corruption perception index (cpi)**  
**1996-2005**





## 2.2. the problem of corruption



- Even Iliescu used the termini “nepotism”, “mafia-like structures”
- What is special about corruption in Romania and Bulgaria, why has it been a greater problem than in other Eastern European transition states?
- Reasons in the civic structure of the countries and the process of transition:
  - “state capture” by influential elites
  - no tradition of civil society, but great tradition of Etatism and nationalization rooted in society



## 2.3. ethnic minorities as a specific problem area



- Population profile of Romania: **Romanian (89.5%), Hungarian (6.6%), Roma (2.5%), Ukrainian (0.3%), German (0.3%), Russian (0.2%), Turkish (0.2%), other (0.4%)**
- Population profile of Bulgaria: **Bulgarian (86%), Turkish (9.4%), Roma (4.6%)**

(source: CIA - World Factbook, 25.04.2005.)



## 2.3. ethnic minorities as a specific problem area



- **Romania and Bulgaria: no self-definition as multiracial/multinational countries: constitutions emphasize on national unity**
- **extreme repressions under dictatorship**
- **development in the 1990<sup>th</sup>**
- **deficits criticized by EU**
- **danger of “economization of ethnic conflicts”**



## conclusion



- Crucial elements responsible for the late-comer status of Romania and Bulgaria:
- **Internal structural factors rooted in political, economic and social sector → delay in comparison with other Eastern European states**
- **need of orientation in post-Cold War Europe**
- **International perception and attention paid to the transition process**





# III Significance of the accession for Romania and Bulgaria



## 1. Positive impact of the accession perspective

### 1.1 Reforms

### 1.2 Financial aspects

### 1.3 Other hopes and realities

## 2. Risks related to public opinion



# 1. Reforms and other positive aspects



## 1.1 Reforms

- pace of adoption was very slow until recently
- can be divided in a political, economic and a juridical dimension



# 1. Reforms and other positive aspects



examples from Romania:

- **law on public administration reform**
- **parliamentary and judicial reform**





# 1. Reforms and other positive aspects



examples from Bulgaria:

- **judicial reforms (end of 2005)**
- **administration reform (11/05)**
- **reform of the ministry of home affairs**



# 1. Reforms and other positive aspects



further reform areas in both countries:

- corruption
- organised crime
- protection of children
- economic reforms
- investigation services and police
- external borders
- agriculture



# 1. Reforms and other positive aspects



## 1.2 Financial aspects

- Pre-accession programmes like  
PHARE  
IPSA  
Sapard
- EU structural funds and cohesion funds



# 1. Reforms and other positive aspects



## 1.3 Other hopes and realities

- better living conditions,
- foreign investment, jobs,
- less corruption and criminality,
- external political influence,
- consolidation of democracy, human rights
- ...



## 2. Risks related to public opinion



specific danger related to EU integration:

dilution of national political consensus,  
public opinion turning against enlargement

possible reasons caused by national governments:

- **painful reforms during a long time**
- **lack of communication effort**
- **too many promises**



## 2. Risks related to public opinion



...which is caused also by EU conditionality:

- makes national priority setting impossible
- governance flows from EU to applicants
- people are “overwhelmed”



## 2. Risks related to public opinion



Nevertheless:

**Polls also show a certain euphoria about the EU in Bulgaria's and Romania's population**  
**- is it bound to be disappointed?**



## Conclusion



- EU was very important incentive
- asymmetrical process
- risk to pass over the population







## **IV Actual Situation of enlargement process**



### **1. 1. 2007 or postponement**

#### **1. Reponse to the fear about shortcomings in the accession process**

**1.1. the safeguard clauses**

**1.2. The special-special clause for Romania**

**1.3. secondary effects of the safeguard clauses**

#### **2. A lot of efforts maid, but still not enough ....**

**2.1. monitoring report 2005**

**2.2. preliminary assessment by the commissioner for enlargement  
Olli Rehn**

**2.3. disappointment after the speech**

#### **3. Impacts of a postponement**

**3.1. Impacts on the candidate- countries**

**3.1. Impacts on the candidate- countries**



## 1.1. the safeguard clauses



- **Treaty concerning the accession of the Republic of Bulgaria and Romania to the European Union signed up in Luxemburg, 25.04.05 provides three safeguard clauses**
  - **1. general economic clause in Art.36**
  - **2. Special clause for the internal market Art.37**
  - **3. Special clause for Justice and home affairs art. 38**
- **Article 39 : possible postponement to 2008**

“If there is clear evidence that the state of preparations for adoption and implementation of the acquis in Bulgaria or Romania is such that there is a serious risk of either of those States being manifestly unprepared to meet the requirements of membership by the date of accession of 1 January 2007 in a number of important areas, the Council may, acting unanimously on the basis of a Commission recommendation, decide that the date of accession of that State is postponed by one year to 1 January 2008.”



## **1.2. The special-special clause for Romania**



- **annex in which they render more precisely the sectors in which Romania has to make an effort so that there will be no postponement**
- **4 of them concern the competition policy and 11 the sector Justice and Home affairs**
- **a lot of transition rules as for example in the environment or the agricultural sector**



## 1.3. secondary effects of the safeguard clauses



- **accommodate public opinion after the failure of the European constitution**
- **convince national parliaments not to block accession: Only 15 of the 25 parliaments ratified the treaty**
- **mainly the EU Parliament is in favor of a strict application of accession criteria**

## 2. A lot of efforts made, but still not enough



### 2.1. monitoring report 25 oct. 2005

- **political criteria were nearly fulfilled by both countries, and the economical ones, as well if the effort was pursued**
- **In 10% of the legal transformation to eu-standards great doubts exist if reforms will be done until 2007  
in 50% there will be no problems  
in the other 40% progress has to continue as it had already been**
- **grave reform deficits**
  - **in the creation of an efficient public administration**
  - **in the protection of the frontiers**
  - **fight against corruption**
  - **in the protection of minorities and disabled and elderly people**
- **for the first time Romania is considered as better prepared than Bulgaria**



## 2.2. preliminary assessment by the commissioner for enlargement Olli Rehn



- **speech held 3<sup>rd</sup> April 2006 in front of the European Foreign Affairs Committee**
- **particularly Bulgaria risk a postponement of his entry**
- **in comparison to the monitoring report of last October a lot of progress, but also shortcomings**
- **Romania:**
  - **fight against high-level corruption**
  - **complete reforms in the judiciary system**
  - **traffic of human beings**
  - **integration of minorities**





## 2.2. preliminary assessment by the commissioner for enlargement Olli Rehn



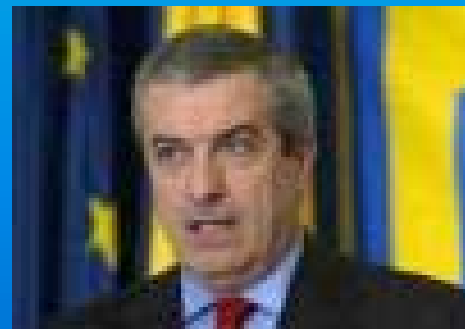
- **Bulgaria:**
  - progress in judiciary system is limited
  - stronger fight against organised crime
  - human traffic
  - integration of minorities
  - protection of intellectual property rights
  - veterinary inspection
- *“For both countries the 2007 target date is still doable, but it requires a completion of the reforms and their implementation.”*



## 2.3. disappointment after the speech



- Bulgarian Prime Minister Sergei Stanishev
- "It would be a grave political mistake
- *“public opinion in the EU is much more pessimistic nowadays, as compared to 2003 and this makes the European Commission treat Bulgaria and Romania more strictly than the 10 new EU member states.”*
- Romania's Prime Minister Calin Popescu-Tariceanu:  
"We don't have a plan B"







### 3. pro and contra of a postponement



#### 3.1. Impacts on the candidate- countries

- most voices saying it would be contra productive and have adverse effects on the enlargement process
- “the safeguard clause is only effective until you make use of it“
- demoralize the population of the concerned country and push anti-European forces
- demoralize the population of the concerned country and push anti-European forces
- direct and indirect economic losses



## 3.2. Interests of the European Union



- **Postponement would be a strong sign to actual member countries that they heard their fears and objections to a further enlargement**
- **but also save its reputation**
- **important geo-strategic role in the safety and security policy in south-east Europe**
- **promise of a high growth rate as well as a lot of investment possibilities**
- **focus on negotiations with Croatia and Turkey**



## Conclusion



- everyone is waiting for the final monitoring report the 16<sup>th</sup> may 2006
- more probable that both countries will be admitted in 2007, - but safeguard clauses to exclude some sectors from the internal market or withhold funding for farm support or regional development to initiate Bulgaria and Romania to pursue reforms even after the accession
- Kind of menace-scenario which demonstrates the dominant role of the EU and the very little action circle of Romania and Bulgaria

