



Robert Schuman

*The Convention on Europe and the
Enlargement of the European Union*

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The Jean Monnet/Robert Schuman Paper Series

The Jean Monnet/Robert Schuman Paper Series is produced by the Jean Monnet Chair of the University of Miami, in cooperation with the Miami European Union Center.

These monographic papers address issues relevant to the ongoing European Convention which will conclude in the Spring of 2003. The purpose of this Convention is to submit proposals for a new framework and process of restructuring the European Union. While the European Union has been successful in many areas of integration for over fifty years, the European Union must take more modern challenges and concerns into consideration in an effort to continue to meet its objectives at home and abroad. The main issues of this Convention are Europe's role in the international community, the concerns of the European citizens, and the impending enlargement process. In order for efficiency and progress to prevail, the institutions and decision-making processes must be revamped without jeopardizing the founding principles of this organization. During the Convention proceedings, the Jean Monnet/Robert Schuman Papers will attempt to provide not only concrete information on current Convention issues but also analyze various aspects of and actors involved in this unprecedented event.

The following is a list of tentative topics for this series:

1. The challenges of the Convention: the ability to govern a supranational Europe or the return to intergovernmental cooperation?
2. How will the member states figure in the framework of the Convention?
3. The necessity to maintain a community method in a wider Europe.
4. Is it possible for the member states to jeopardize the results of the Convention?
5. The member states against Europe: the pressures on and warnings to the Convention by the European capitals .
6. Is it possible that the Convention will be a failure? The effects on European integration.
7. Similarities and differences between the European Convention and the Philadelphia Convention of 1787.
8. The role of a politically and economically integrated Europe in the governance of the world.
9. How important is European integration to the United States today?
10. The failure of a necessary partnership? Do the United States and the European Union necessarily have to understand each other? Under what conditions?
11. Is it possible to conceive a strategic partnership between the United States, the European Union and Russia?
12. Russia: a member of the European Union? Who would be interested in this association?

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The Convention on Europe and the Enlargement of the European Union

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The opinions expressed in this paper are those of its author and do not necessarily represent the ideas and opinions of the institution in which he works (European Commission).

THE CONVENTION ON EUROPE AND THE ENLARGEMENT OF THE EUROPEAN UNION

Foreword

These are exciting and challenging times for the European Union (EU):

- Exciting, because in 2004 the enlargement of the Union will take place, with 10 new Member States joining the EU;
- Challenging, because in parallel to the enlargement, the Convention on the future of Europe will present its findings in 2003, formulating a strategic operational vision for the EU as a player in the European and international arenas, changing its internal structure and its external profile.

In fact, both enlargement and the Convention should be seen together as a joint effort to build a future Europe that is functional, stable, prosperous and democratic. The fall of the Berlin Wall in 1989 followed by the collapse of communism in Central and Eastern Europe became the starting point of a new era in European political co-operation and trade. Shortly after, those countries began a process of democratization and of transition towards market-based economies. For some, this was a daunting task, as they had little tradition of open economies. Others could draw on past experience in recreating market economies that half a century earlier had worked well.

Although the transition processes and European integration proved costly and time-consuming, the fact is that those countries that invested in them have seen in December 2002 a reward to their efforts in the form of access to the European Union in May 2004. In fact, at the Copenhagen Summit of 13 December, 2002, the EU Member States agreed to allow ten European countries ¹ to join the Union by 2004, in a historic expansion that (it is hoped) will bring Europe's cold war divisions to an end.

The expansion is the largest since the European Union's first institutions were established in April 1951 and the first to include countries once dominated by the former Soviet Union. It will add more than 75 million citizens to the EU's population of nearly 380 million and increase its size geographically by nearly one-quarter. And it will create an economy worth more than USD 9 trillion, thus rivaling the one of the United States of America.

In fact, enlargement of the Union will strengthen European stability and security, economic welfare and development, environmental protection and will imply great potential for increased trade and co-operation. It will create immense opportunities for companies, employees and consumers throughout the continent. With the arrival of ten new countries in the Union, the remaining tariff barriers between the countries will be removed. Legal and

¹ The countries are: Estonia, Latvia, Lithuania, Poland, Hungary, the Czech Republic, Slovakia, Slovenia and the Mediterranean island countries of Cyprus and Malta.

technical trade barriers will disappear. The possibilities of trade and investment will be further enhanced and their expected high economic growth rates will radically enhance the purchasing powers of consumers in the new countries. Stronger democracies and increasing trade will be a valuable contribution to the functioning of the enlarged Union and the economic development of the entire continent.

Enlargement of the Union has brought to the surface the need for the EU to be more functional, for its institutions to be more operational, in order to be able to face future challenges (namely in the areas of external relations, peace, security and globalization). It was felt that the EU needed to articulate a long-term vision of its role in preserving peace and stability in Europe, based on its own history, its long-standing ties with the developing world and its specific comparative advantages. In other words, it was judged appropriate when it was enlarging to formulate for the Union a strategic operational vision of its role as a more global player. For this purpose it was judged necessary to strengthen the linkages among the EU's trade, foreign policy and development co-operation policies and to improve their overall effectiveness and impact.

The process of European integration started after the Second World War when on 9 May 1950 France officially proposed to create "the first concrete foundation of a European federation". Six countries (Belgium, Germany, France, Italy, Luxembourg and the Netherlands) joined from the very beginning. Today, after four waves of accessions (1973: Denmark, Ireland and the United Kingdom; 1981: Greece; 1986 Spain and Portugal; 1995: Austria, Finland and Sweden) the EU has 15 Member States and is preparing for the accession of 10 Eastern and Southern European countries.

The European Union is based on the rule of law and democracy. It is neither a new State replacing existing ones nor is it comparable to other international organizations. Its Member States delegate sovereignty to common institutions representing the interests of the Union as a whole on questions of joint interest. All decisions and procedures are derived from the basic treaties ratified by the Member States.

Principal objectives of the Union:

- *Establish European citizenship* (Fundamental rights; Freedom of movement; Civil and political rights);
- *Ensure freedom, security and social progress* (Co-operation in the field of Justice and Home Affairs);
- *Promote economic and social progress* (Single market; Euro, the common currency; Job creation; Regional development; Environmental protection);
- *Assert Europe's role in the world* (Common foreign and security policy; The European Union in the world).

The EU is run by five institutions, each playing a specific role:

- *European Parliament* (elected by the peoples of the Member States);
- *Council of the Union* (composed of the governments of the Member States);
- *European Commission* (driving force and executive body);
- *Court of Justice* (compliance with the law);
- *Court of Auditors* (sound and lawful management of EU funds).

But after more than 50 years, the machinery that was put in place to support Europe's integration is no longer capable of operating efficiently. Furthermore, the role of the EU has changed significantly in world affairs, especially after the collapse of the Soviet Union and of the Berlin Wall in November 1989. Today there are new challenges to be met, which are incentives to the European Union to re-think its role, improve its operations and open new avenues of progress and democracy.

The citizens of Europe, who in their great majority approve the broad aims of the Union, have expressed several times the wish that it be more open and transparent. But while they want more openness, more efficiency and more simplicity, they have also conveyed their concerns: about justice and security, action against crime and the control of migration flows. And they asked the EU for solutions on employment, combating poverty, social exclusion and economic and social cohesion. They are looking for a common approach on pollution, climate change and food safety. Europeans want the EU to set globalization within a moral framework, based on solidarity and sustainable development. And they want to see Europe more involved in foreign affairs, security and defense.

However, Europe cannot take on these ambitious tasks and play an important role in international affairs unless the EU puts in place a machinery that will enable it to meet such challenges and speak to the world with a single voice.

To find out what machinery Europe needs, the Member States decided in December 2001 in Laeken (Belgium) to call for a Convention in an attempt to study and answer the fundamental questions about what people expect from the EU in the 21st century. The Convention is chaired by Mr. Valéry Giscard d'Estaing (former President of France) and is made up of the following members:

- 15 representatives of the Heads of State or Government of the Member States (one from each Member State);
- 10 representatives of the Heads of State or Government of the candidate States (one per candidate State);
- 30 representatives of the national parliaments of the Member States (two from each Member State);
- 30 representatives of the national parliaments of the candidate States;
- 16 members of the European Parliament;
- 2 representatives of the European Commission.

In addition, the Economic and Social Committee (three representatives), the Committee of the Regions (six representatives), the social partners (three representatives) and the European Ombudsman are invited to attend as observers.

Plenary sessions

The Convention meets in plenary session once a month, at the premises of the European Parliament in Brussels. The sessions are open to the public and take place over two half days.

The working groups

The members of the Convention participate in working groups to look into particular issues more closely.

The main task of the Convention is to consider the key issues for the future development of the EU and attempt to identify the various possible responses. Such issues include the division of responsibilities between the EU and the Member States, simplification of the European Treaties, the status of the Charter of Fundamental Rights and the role of national parliaments within the European Union. The Convention will initiate the start of reforms to be negotiated within a new Intergovernmental Conference, due to be launched in the Autumn of 2003.

Although the expected date for the publication of the proposed EU constitution is June 2003, it is known that agreement on certain areas already exists and indeed the first outlines of the constitution were unveiled on 28 October 2002 and on 6 February 2003. It is structured in the following way:

Structure of Europe's future constitution
<ul style="list-style-type: none">• Part one: covers constitutional matters - definition of the Union, objectives, fundamental rights, dual citizenship, EU powers, institutions, decision-making procedures, financing of the Union, representation on the world scene Innovations: incorporating Charter of Fundamental Rights into treaty, dual citizenship, EU's legal personality, abrogation of pillars, Congress of Europe's peoples, secession clause• Part two: deals with EU policies, such as free movement of persons, services and goods, competition policy, agriculture, environment, common foreign and security policy Innovations: introduce areas where the Union may take "supporting action" in areas where power lies in principle with the Member States• Part three: final provisions such as repeal of previous treaties, territorial application, revision of the constitutional treaty, adoption, ratification and entry into force Innovations: abrogation of previous treaties

The European Commission made its own contribution to the text of the new Convention on 4 December 2002.

In spite of what has been mentioned above, the following issues are not yet solved:

- **President of the Union.** This is perhaps the most divisive issue. Some EU leaders want a powerful appointed president of the Council of Ministers to be the political driving force of the Union and its public face.

Another idea came out of the talks held in Paris on 14 January 2003, where President Jacques Chirac of France and the German Chancellor Gerhard Schroeder proposed the establishment of a "dual presidency" for the Union: a European Council president, representing the Member States as head of the European Council and elected by the EU Heads of Government; and a president of the European Commission, representing common interests as head of the EU executive and elected by the European Parliament (in a move that was seen to increase the Commission's democratic legitimacy).

In addition, they have also proposed the creation of an "EU foreign minister", by combining the roles of the European High Representative for External Affairs and the Commissioner for External Relations.

- **Foreign affairs** : The Commission wants more power to propose initiatives in this area, claiming that competing national interests are reducing the EU's clout. But, from what has been said in the previous point, it seems certain that Member States will retain control of this matter.
- **Economic affairs** : The Convention is split over the need for better EU economic co-ordination, including giving formal powers to the Eurogroup, the informal meeting of ministers of the 12 Eurozone countries and a bigger Commission role.
- **Charter of Fundamental Rights**: There is a large majority in favor of enshrining the Charter, which includes concepts such as the right to strike, in the final treaty. But Britain has said it will only accept this if the measures cannot be enforced in domestic courts.

From the draft constitution published on 6 February 2003, it seems clear that the idea is to put the EU Council in charge of economic and foreign policy: indeed, the draft says that the EU should co-ordinate the economic policies of the Member States and have the right to define and implement a common foreign policy, including making a start on framing a common defense policy. Besides, it is clear that there is no place for religion or geographical limitations in the future EU Constitution, the Union is said (i) to be founded on the values of human dignity, liberty, democracy, the rule of law and respect for human rights and (ii) to be open to all European States whose peoples share those values, respect them and are committed to promoting them.

Of course, the problem is not an easy one. This is not a constitution for a single national state, like the US constitution, but for an ensemble of EU States: it is therefore as much an inter-state treaty as a constitution. It needs for that reason to be drafted in a skilful manner, to take account of such specificity of the Union, while at the same time being a simple text that all citizens understand. Indeed everyone seems to agree on the need to make the Union and the future Constitution simpler, cleaning up the jumble of treaties and jargon so that people understand what the EU is for, and the limits of its authority. The enclosed pages present in a summarized form important aspects and features of the Convention on the future of Europe and on enlargement. The idea is to complement what has been said in this introduction.

The Convention on Europe

European Treaties (I)

European integration is based on four founding treaties:

- **The Treaty establishing the European Coal and Steel Community (ECSC)**, which was signed on 18 April 1951 in Paris, entered into force on 23 July 1952 and ended on 23 July 2002;
- **The Treaty establishing the European Economic Community (EEC)**;
- **The Treaty establishing the European Atomic Energy Community (Euratom)**, which was signed (along with the EEC Treaty) in Rome on 25 March 1957, and entered into force on 1 January 1958. These Treaties are often referred to as the "Treaties of Rome". When the term "Treaty of Rome" is used, it refers only to the creation of the EEC;
- **The Treaty on European Union**, which was signed in Maastricht on 7 February 1992, and entered into force on 1 November 1993, created the political Union amongst the Member States and brought about considerable changes to the existing Treaties. The treaty created the European Union, a concept comprising the European Communities (which had also been amended to the term European Community on the same occasion), as well as other forms of co-operation.

European Treaties (II)

Moreover, the founding treaties have been amended on several occasions, in particular when new Member States acceded in 1973 (Denmark, Ireland, United Kingdom), 1981 (Greece), 1986 (Spain, Portugal) and 1995 (Austria, Finland, Sweden). There have also been more far-reaching reforms bringing major institutional changes and introducing new areas of responsibility for the European institutions:

- The **Merger Treaty**, signed in Brussels on 8 April 1965 and in force since 1 July 1967, provided for a Single Commission and a Single Council of the then three European Communities;
- The **Single European Act (SEA)**, signed in Luxembourg and the Hague, and entered into force on 1 July 1987, provided for the adaptations required for the achievement of the Internal Market;
- The **Treaty of Amsterdam**, signed on 2 October 1997, entered into force on 1 May 1999: it amended and renumbered the EU and EC Treaties. Consolidated versions of the EU and EC Treaties are attached to it. The Treaty of Amsterdam changed the articles of the Treaty on European Union, identified by letters A to S, into numerical form;

- The **Treaty of Nice** , signed on 26 February 2001, will amend the existing Treaties. It entered into force on 1 February 2003. The Treaty not only opened the way for the enlargement of the EU to the East, but also makes a contribution towards the strengthening of the democratic nature of the Union by preserving the fundamental balance between institutions and between States, thus contributing to a greater effectiveness of decision-making mechanisms.

Purpose:

The basic concept is to provide the Union with a constitution which replaces existing treaties and to simplify the way it works.

- The purpose of the Convention is to propose a new framework and structures for the European Union which are geared to changes in the world situation, the needs of the citizens of Europe and the future development of the European Union.
- The Convention is an innovation. Established following the Laeken European Council in December 2001, it brings together representatives of governments, national parliaments, the European Parliament and the European Commission.
- Its deliberations are public and its documents are available to the public at large. Organizations representing civil society also contribute to the debate by joining the workings of the Forum.

What are the Issues?

For over half a century the countries of the European Union have lived in peace. They have common objectives: democracy, stability and growth.

Citizens of the Union enjoy freedom of movement and the rule of law is respected and defended. The European Union is one of the three most prosperous parts of the world, trade barriers have come down, and the euro is in place.

However, today there are new challenges to be met, which are incentives to the European Union to rethink its role, improve its operation, and go down new avenues of progress and democracy.

A Europe of 25 members clearly calls for a different operational approach from fifty years ago, when six countries first took the lead in establishing the European Union. Europe is changing and the operation, rules and the very role of the EU must change too.

What Approach?

The European Convention is responsible for proposing ways of adapting and renovating Europe's institutional and operational framework.

To do so, it must propose clear and consensual answers to the following questions:

- How is the division of competence between the Union and the Member States to be organized?
- How can the European institutions' respective tasks be better defined?
- How can the coherence and efficiency of the Union's external action be ensured?
- How can the Union's democratic legitimacy be strengthened?

When it concludes, sometime in 2003, the Convention will submit its proposals to the European Council, in which the Heads of State or Government of the Member States of the Union regularly meet together for discussion. The next Intergovernmental Conference will work on that basis.

Main Timetable of Events:

- **October 2002:** Mr. Giscard d'Estaing unveiled the framework for the proposed new EU constitution
- **December 2002:** European Commission presented further ideas on improving EU
- **December 2002:** The last Convention working groups, looking at issues such as defense and foreign policy, end their work
- **6 February 2003:** Presentation of the first 16 articles of the draft constitution
- **27 and 28 February 2003:** Plenary debates of those 16 articles
- **21 March 2003:** Brussels Summit - EU leaders will discuss how powers will be shared between institutions
- **31 March 2003:** Date for the completion of the constitutional part of the EU Convention
- **15 June 2003:** Date for the completion of the policies part of the Convention
- **20 June 2003:** The final draft constitution will be presented to the EU leaders at the Thessaloniki Summit in Greece
- **Autumn 2003:** Start of EU-intergovernmental conference to discuss draft constitution and agree the new treaty on the future of Europe
- **Autumn 2003:** Possible start of EU inter-governmental conference to agree on new treaty on the future of Europe.

The Future Shape of Europe:

It is impossible to predict what the future shape of Europe will be. However, a pragmatic guess, based on past developments, leads us to think that:

- The EU will soon have a constitution not only defining the relations between the Union, the Member States and their citizens, but also its relations with the rest of the world: in other words, in the near future a political, commercial, monetary and strategic Europe should have been organized;
- In this sense the linkages among the EU's trade, foreign policy and development co-operation policies will be strengthened, in order to improve their overall coherence, effectiveness and impact;
- Peace and security will be at the center of future concerns. Co-operation in the field of justice and home affairs will be improved and the common foreign and security policy is to be developed with more credible structures (with a view to eventually developing them into a common structure of the EU);
- The Union will seek to establish its own political identity in NATO. And it will play a leading role in bringing North and South together, thanks to its trade and development co-operation agreements and its influence in multilateral organizations such as the UN, the World Bank and the World Trade Organization;
- The EU will press ahead with economic, monetary and political integration, in order (i) to make Europe the most dynamic economic and trade grouping in the world and (ii) to continue giving the peoples of the EU peace, stability and economic development;
- The EU will be more and more a space of fundamental values and freedoms (democracy, respect for human rights, the rule of law, solidarity and market-based economies), thus allowing it to continue attracting more Member States in the future.

This future vision of Europe is of necessity incomplete. It assumes that the EU Member States will be prepared to continue allowing the Union to act as a driving force for the entire continent and to transform it into a global player, using its political and economic power to play a key role in addressing global challenges.

The Enlargement of the European Union

Overview:

- The EU agreed on 13 December 2002 to open its door to the East by allowing 10 countries to join the Union by 2004, in an historic expansion that will bring Europe's cold war divisions to an end;
- The expansion is the largest since the European Union's first institutions were established more than 50 years ago and the first to include countries once dominated by the former

Soviet Union. It will create an economy worth more than USD 9 trillion, rivaling the one of the United States;

- It will increase the number of countries in the EU from 15 to 25;
- It will add 75 million citizens to the EU's population of nearly 380 million and increase its size geographically by nearly one quarter;
- The countries are Estonia, Latvia, Lithuania, Poland, Hungary, the Czech Republic, Slovakia, Slovenia, Cyprus and Malta;
- Two other European countries - Bulgaria and Romania - are expected to join the EU in 2007;
- Accession talks with Turkey have been set to start in December 2004.

Enlargement timetable for states preparing for accession in 2004	
13-14 December 2002	Copenhagen EU Summit, complete accession negotiations
March 2003	Athens Summit, accession treaty due to be signed
Spring-Autumn 2003	Ratification of treaty
1 January 2004	Earliest likely accession date
June 2004	European Parliament elections in which the new states are due to participate

The Copenhagen Criteria

In June 1993 the European Council in Copenhagen adopted the so-called "Copenhagen Criteria" as the framework for the European countries wishing to join the European Union. The fulfillment of the Copenhagen Criteria was considered necessary for a country to be accepted as a member of the Union.

The criteria are divided into three parts and makes the following provisions:

- **The political criterion:** Stability of institutions guaranteeing democracy, rule of law, human rights and respect for and protection of minorities;
- **The economic criterion:** Existence of a functioning market economy and the capacity to cope with the competitive pressure and market forces within the Union;
- **Obligations of EU membership:** The transposition and implementation of the EU *acquis communautaire*.

The Copenhagen Declaration of December 2002: The New Chapter opens for Europe

"With the decisions in Copenhagen, we closed one of the darkest and most blood-stained chapters of European history. We closed a century ravaged by war and conflict. We bid a final farewell to the Europe of the Yalta Conference and the Cold War", said Danish prime minister Anders Fogh Rasmussen, when he addressed the European Parliament after chairing the Copenhagen summit. "At the same time, we opened the door to a new era of European history. An era blessed by freedom, peace, growth and prosperity. The Copenhagen Summit marked a pinnacle in the history of European co-operation, a triumph for freedom and democracy, and a gate to a better future for all our peoples."

On Turkey, Rasmussen said: "We arrived at a balanced and realistic response". A "strong and positive message has been sent to Turkey. However, the initiation of accession negotiations remains unconditionally subject to the fulfillment of the political Copenhagen Criteria. This is the way it must be. Turkey must be treated on an equal basis with all other candidate countries." Prodi added that "this date will give Turkey time to push ahead with the reforms it must make to satisfy the Copenhagen criteria and implement them both in law and in practice. The Commission will report on its progress and make recommendations with complete objectivity and impartiality."

And on Cyprus, there is also "a realistic possibility that the parties will be able to find an overall solution to the Cyprus problem before 28 February 2003 on the basis of the proposal put forward by the UN Secretary General", said Rasmussen. "We came close to getting agreement on a settlement for Cyprus. Although the unflagging efforts of the negotiators and the UN Secretary-General were not crowned with success at the Summit, the two sides' willingness to continue negotiating with the aim of getting agreement by 28 February gives us real grounds for optimism", said the Commission President.

"One Europe" Declaration

Agreement was reached at the Copenhagen summit on a declaration about "One Europe" which will be annexed to the Accession Treaty. The text, to appear above the signatures of the 15 current EU member states and the ten new member states, reads: "Today is a great moment for Europe. We have today concluded accession negotiations between the European Union and Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. 75 million people will be welcomed as new citizens of the European Union".

**THE ENLARGEMENT OF THE EUROPEAN UNION
STATE OF PREPARATIONS:**

Enlargement summary	
The ten countries preparing to join in 2004 have made progress across the board in their accession preparations, but there are weaknesses in administrative capacity and public sector internal auditing controls. Corruption is also a problem.	
Cyprus: Need to improve administrative capacity and corruption	Czech Republic: Problems with corruption and economic crime. Improvements needed to protect ethnic minorities. More to be done for strengthening internal financial control, including internal auditing system
Estonia: Problems with money laundering, law enforcement in areas of piracy and counterfeit goods. Need to bring its environment into line with EU, such as waste treatment. Border controls and fighting organized crime has to be stepped up	Hungary: Corruption a concern. Integration of Roma/gypsy community needs to improve. More financial control needed in public sector. Better administrative capacity required to deal with EU funds
Latvia: Fight against corruption must continue. Judiciary needs more funding, resources and reform. Backlog of court cases increasing. Issue of pre-trial detention requires continued attention. Integration of minorities, particularly the Russian community must improve. Language training and naturalization also needs work	Lithuania: Administration corruption remains a problem. Public finances need to improve. Weaknesses in administrative capacity. Protection of external borders and fight against corruption must increase
Malta: Administrative capacity across agriculture, environment and health sector is weak. Company law has some deficiencies such as directives on intellectual and industrial property rights. Data protection, money laundering, asylum and border controls need to be fully implemented	Poland: Big problems with administrative capacity, especially in civil service. Reform of judiciary must continue. Corruption remains a serious concern. A political, administrative and business culture must be developed to resist corruption. Some outstanding problems with state aid and how it is enforced
Slovakia: Independence of the judiciary has to be strengthened. Corruption a concern. Need to strengthen administrative capacity. Better public internal financial controls needed	Slovenia: Further reform of judiciary required. Administrative capacity should be stepped up. Continuing restrictions on foreign direct investment, especially investment funds and management companies, need reformulation

Why Enlargement? What can the EU gain from Expansion?

- Enlargement of the European Union is a historic opportunity to unite Europe peacefully after generations of division and conflict.
- Enlargement is thus a continuation of the EU's original purpose of healing Europe's divisions and creating an ever-closer union of its peoples. By welcoming new members who respect EU's political criteria, the Union is re-stating the fundamental values that underpin it.

- Enlargement will extend the EU's stability and prosperity to a wider group of countries, consolidating the political and economic transition that has taken place in Central and Eastern Europe since 1989.
- By enhancing the stability and security of these countries, the EU as a whole can enjoy better chances for peace and prosperity. After the terrorist attacks of 11 September 2001, a strong and united Europe is more important than ever before to ensure peace, security and freedom.
- Enlargement will present significant economic opportunities in the form of a larger market. Adding the applicant countries to the EU's Single Market of over 380 million inhabitants will create the biggest economic area in the world. A market of this size can be expected to give a boost to investment and job creation, raising levels of prosperity throughout Europe, in both new and old member countries.
- In joining the EU, the new members will reinforce their economic integration with the existing members. Consumers will reap the benefits of wider choice and lower prices, and European businesses across the continent will share a common set of rules and benefit from increased trade, greater efficiency and more competition.

Future Limits of the Union

- The Treaty on European Union says in Article 49 that "any European State which respects the principles set out in Article 6(1) may apply to become a member of the Union". Article 6(1) states that "the Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States";
- The European Union has not defined its limits in geographical terms, but every applicant country has to meet the basic conditions laid down by the European Council in Copenhagen: democracy, the rule of law, respect of human rights and protection of minorities, a functioning market economy with the capacity to withstand competitive pressure in the EU, and the ability to take on the obligations of membership;
- This being so, it is expected that in the coming years other countries will submit applications for membership. The EU has identified as potential candidates the countries of the West Balkans region, including the states of ex-Yugoslavia, which have the prospect of one day joining the EU. The Stabilization and Association process, which is the framework for the EU's policy in the Western Balkans, offers the prospect of accession to the Union, and an assistance programme to support that aim;
- Norway and Switzerland applied in the past, and may one day reactivate their applications;
- Accession talks with Turkey will start in December 2004.

**FINANCIAL PACKAGE FOR THE 10 NEW MEMBER STATES
COMMITMENTS 2004-2006 IN €MILLIONS**

Copenhagen agreed financial package - commitments 2004 -2006 for 10 new Member States (€millions, 1999 prices)

	2004	2005	2006
Heading 1 Agriculture of which	1 897	3 747	4 147
<i>1a. CAP</i>	327	2 032	2 322
<i>1b. Rural development</i>	1 570	1 715	1 825
Heading 2 Structural actions after capping of which	6 070	6 907	8 770
Structural Fund	3 453	4 755	5 948
Cohesion fund	2 617	2 152	2 822
Heading 3 Internal policies and additional transitional expenditure of which	1 457	1 428	1 372
Existing internal policies	846	881	916
Nuclear safety	125	125	125
Institution building	200	120	60
Schengen facility	286	302	271
Heading 5 Administration	503	558	612
Total (Headings 1,2,3 and 5)	9 927	12 640	14 901
	2004	2005	2006
Special cash flow facility	1 011	744	644
Temporary budgetary compension	262	429	296
Total	1 273	1 173	940

How will Enlargement affect the Union's relations with the rest of the world?

- The forthcoming enlargement, like previous ones, will add to the Union's strength, cohesion and influence in the world. Besides, it will put the Union in a better position to take up the challenges of globalization and other world issues;
- From a political point of view, enlargement will increase political stability throughout Europe and will enable the EU to tackle international problems more effectively;
- From an economic point of view, enlargement will increase the size of the Single Market, in which non-member countries and their exporters will encounter a single set of tariffs and a single set of trade rules and administrative procedures. And as in general, the Union's tariffs are lower than those of the acceding countries, so enlargement will reduce tariffs rather than increase them;
- The enlarged EU will continue to be committed to the sustainable development of developing countries and their integration into the world economy;
- The EU is developing its relations with all its neighboring countries, such as Russia and Ukraine, and the countries of the Mediterranean area, to ensure continuity in cross-border relations and to enable neighboring countries to benefit from enlargement. The Stabilization and Association process in the Western Balkans provides for trade

liberalization and close co-operation in many important areas, and the Euro-Mediterranean Partnership brings the EU's Mediterranean neighbors closer to an enlarged EU;

- As the EU expands, it will be necessary to continue the process of political partnership and economic co-operation with other countries, so as to spread peace, stability and prosperity to the whole of the European continent and the entire Mediterranean region.