Center for European Studies
Central and Eastern European
Working Paper Series #60

The Challenges of EU Accession for Post-Communist Europe*

by
David R. Cameron
Department of Political Science
Yale University
david.r.cameron@yale.edu

Abstract

The accession of ten new member states in May 2004 and the prospective accession of several more in the near future will pose severe budgetary, administrative, and operational challenges for the European Union. But however great, the challenges of enlargement pale in comparison with the challenges of accession that will be faced by the new member states, especially those which until a decade ago were governed by Communist parties that presided over centrally-planned and predominantly-collectivized economies. This paper explores five of the most critical challenges that will face the new member states of post-Communist Europe: 1) administering the *acquis*; 2) deepening and extending the reform and transformation of the economy; 3) reducing the high levels of unemployment and large government, trade, and current account deficits; 4) financing accession in the face of the EU's budgetary constraints and financial provisions; and 5) coping with all of those challenges in the face of low levels of support for enlargement in many of the member states and high levels of ambivalence and skepticism about membership in most of the new member states. The chapter concludes by noting the low levels of trust in the national government and satisfaction with the way democracy works that exist in most of the new member states and suggests that those low levels of trust and satisfaction will make it difficult for the governments in the new member states to address these challenges while also maintaining sufficient public support to retain office.

*Chapter 2 of Grzegorz Ekiert and Jan Zielonka, eds., *EU Membership and the Consolidation of Democracy in East Central Europe* (July 2004)

On May 1, 2004, ten countries–Poland, Hungary, the Czech Republic, the Slovak Republic, Slovenia, Estonia, Latvia, Lithuania, Cyprus, and Malta–joined the European Union.[1] More are likely to join in the near future.[2] The enlargement of the EU will pose severe budgetary, administrative, and operational challenges for the Union. Indeed, it was in anticipation of the latter that the member states of the EU negotiated the Treaty of Nice in 2000 and agreed to changes in the composition of the Commission, the representation of the member states in the Parliament, the weights of the states in qualified majority votes in the Council, the scope of majority voting, and the extent to which states could participate in cooperative action with other like-minded members. And it was to a large extent the anticipation of the institutional complications posed by enlargement that caused the member states to convene a Convention in 2002 to consider possible further changes to the treaties.[3]

As considerable as the challenges of enlargement for the EU are, they pale in comparison with the challenges of accession for the new members, especially those which until a decade ago were governed by Communist parties that presided over centrally-planned and predominantly-collectivized economies. Those challenges include: 1) administering the *acquis*; 2) deepening and extending the reform and transformation of the economy; 3) reducing high levels of unemployment and large government, trade, and current account deficits; 4) financing accession in the face of the EU's budgetary constraints and financial provisions; and 5) coping with all of those challenges in the face of high levels of ambivalence about membership in most of the new member states and low levels of support for enlargement in most of the other member states. This chapter describes those challenges.

The Challenges of Accession

Administering the *Acquis.* As a result of the accession negotiations, the candidate countries agreed to adopt the entire *acquis* of the EU with only a few transitional phase-ins, such as those pertaining to the sale of land and the movement of persons. That *acquis,* accumulated over a period of up to a half-century, often represented the amendment or incremental adjustment of prior policy and very often it resulted from protracted political negotiation among the member states and within the institutions of the EU. But on May 1, 2004, the new members found themselves committed by treaty to implementing the entire *acquis* (except for the few elements for which transitional waivers were negotiated) and treating it as their own. As of that day, both the processes and outcomes of policy across virtually every domain of policy were transformed. It does not exaggerate greatly to say that, upon accession, the new members were recreated as states, committed to processes of policymaking and policy outcomes that in many instances bear little or no relation to their prior domestic policymaking processes and

---

[1]Presented at the Conference on the Dilemmas of Europeanization: Politics and Society in Eastern and Central Europe after EU Enlargement, Harvard University, December 2003. An earlier version appeared with the same title in *East European Politics and Societies* 17,1 (2003): 20-37.

[2]Bulgaria completed accession negotiations in June 2004 and is scheduled to join the EU in 2007. Romania has provisionally closed twenty-four of the thirty-one chapters of the accession negotiations and is expected to join in 2007 as well. In June 2004, the leaders of the EU accepted the Commission's recommendation that Croatia be regarded as a candidate and that accession negotiations begin in 2005. In December 2004, the leaders will decide, based upon a recommendation of the Commission, whether negotiations should be opened with Turkey. Four countries in the western Balkans–Albania, Bosnia, Macedonia, and Serbia and Montenegro–are expected to apply at some point in the future.

[3]The Convention, which consisted of two representatives of the national parliaments and one representative of the governments of the fifteen member states and thirteen accession candidates plus sixteen members of the European Parliament, two members of the Commission, and a three-man presidency, met from February 2002 until June 2003 and prepared a draft treaty that would establish a constitution for the EU. An Intergovernmental Conference began considering the draft treaty in October 2003. The heads of state and government were divided over several issues and unable to reach an agreement at Brussels in December 2003 but eventually resolved all of the divisive issues and agreed to a treaty in June 2004. The treaty will be signed in October 2004 and then considered for ratification by the twenty-five member states. See Cameron, 2004.

policy decisions but reflect, instead, the politics, policymaking processes, and policy choices of the EU and its earlier member states.

The new member states have, in a sense, agreed to accept that remaking of the state and its policy processes as the necessary price to be paid for the putative benefits of membership. But even if they do not find it objectionable to be committed to implementing tens of thousands of pages of directives, regulations, and policy requirements in the formulation of which they had no influence, the question arises as to whether the new members will be *able* to implement the *acquis*. It is by no means apparent that their governments–especially those formed by coalitions of parties or lacking a parliamentary majority–will have the political capacity to adopt the policies required by or consistent with the *acquis* in the face of domestic opposition. Nor is it apparent they will have the administrative capacity to implement the *acquis* and the policies that follow from it.

At Madrid in 1995, the European Council recognized that, in addition to satisfying the criteria for membership articulated at Copenhagen in 1993–the stability of institutions guaranteeing democracy, the rule of law, and human rights; the existence of a functioning market economy; and the ability to take on all of the obligations of membership–the candidate countries would have to insure that their administrative and judicial structures were capable of implementing the *acquis*. By mid-2002, the EU had negotiated "action plans" for creating adequate administrative and judicial capacity with all of the candidate countries. But will those "action plans" suffice? Will they provide the layers of national, subnational, and sectoral administrative expertise necessary in order to implement the *acquis* on a day-to-day basis? Can state capacity be created simply by implementing an "action plan"? And will those plans in fact be fully implemented now that they have joined the Union?

The extent of the challenge confronting the new member states with regard to implementing and enforcing the *acquis* is well illustrated in the Commission's "Comprehensive Monitoring Report."[4] The Report, issued in October 2003, describes the state of preparedness for membership of the ten countries. It makes it apparent that there are many domains of policy in which the implementation and enforcement of the *acquis* requires either enhanced efforts on the part of the governments of the new member states or even immediate and decisive action. For example, it concluded that Slovenia, the Czech Republic, Poland, and the three Baltic states need to take immediate and decisive action with regard to training requirements and mutual recognition of qualifications for professionals. The Slovak Republic needs to do likewise with regard to fiscal aids for its steel industry, legislation pertaining to food safety and health, and procedures dealing with payments to farmers. The Czech Republic needs to do likewise with regard to food safety, health matters, and road transport. Hungary needs to do likewise with regard to its provisions for the distribution of rural development aid and payments to farmers. Lithuania needs to do likewise with regard to the inspection and control of its fishing fleet. Estonia needs to do likewise with regard to its labor law and provisions for equal treatment. Latvia needs to do likewise with regard to its laws pertaining to the disposal of animal waste. And Poland needs to do likewise with regard to legislation governing the certification of veterinarians, the movement of animals, the disposal of animal waste, food safety and health issues, procedures for making payments to farmers and fisheries, and inspection and control of the fishing fleet.

In addition to those issues, all of which require immediate and decisive action, the Commission identified a much longer list of issues, involving all aspects of the internal market, public procurement, financial services, competition policy, industrial policy, intellectual and industrial property rights, agriculture and fisheries, rural development, Economic and Monetary Union, social policy, and, indeed, virtually every other domain of policy, in which one or more of the new member states and the other accession candidates need to increase their effort to implement and enforce the *acquis*. The Commission made it clear that accession would not be delayed because of the shortcomings in implementation of the *acquis*. But it also made it clear that the pressure to implement the *acquis*

[4]European Commission, 2003a.

would not abate once the countries had entered the Union and that they would have no choice but to comply with, and enforce, the *acquis* once they had joined.

Extending the Reforms. In addition to implementing the *acquis*, the new member states of central and eastern Europe face the challenge of extending and deepening the reforms that have been underway for the past decade that are designed to create the regulatory institutions, norms, and policies characteristic of a market-oriented economy.[5] In domains such as the liberalization of trade and foreign exchange, price liberalization, and small-scale privatization, the reforms have progressed to such an extent that their economies are, or soon will be, comparable to those of the typical advanced industrial economy. But in other aspects of policy such as corporate governance and enterprise restructuring, the regulation of securities markets and non-bank financial institutions, and competition policy, reform has not progressed to the same extent.

Table 1 (tables begin on page 14) presents measures of the extent of reform in eight aspects of economic and regulatory activity in the eight central and eastern European countries that joined the EU in 2004 as well as Bulgaria, Croatia, and Romania. These measures, reported by the European Bank for Reconstruction and Development, consist of values assigned by the EBRD on an eleven-point scale ranging from 1, denoting little progress, to 4.3, denoting the existence of standards and performance norms comparable to those of advanced industrial economies.[6] The data in Table 1 indicate that all of the countries except Romania had reformed their trade and foreign exchange policies to such an extent that by 2003 they had attained the standards and performance norms of advanced industrial countries. All but Estonia, Slovenia, and Croatia had attained that standard with respect to price liberalization. And all of the countries that entered the EU in 2004 as well as Croatia have attained that same standard with regard to small-scale privatization. But as one moves from those domains to the others–large-scale privatization, banking reform and interest rate liberalization, reform of corporate governance and enterprise restructuring, the development of regulatory institutions in the non-banking financial sector and securities markets, and the development of an effective competition policy–reform has progressed to a lesser extent. Even those countries which have experienced the greatest degree of reform to date–Hungary, the Czech Republic, Estonia, and Poland–still fall well short of the standard and performance norms of the advanced industrial economies in those other domains.

If the governments of the new member states and accession candidates are to enjoy the same degree of regulatory authority vis-à-vis the market that exists in the other member states of the EU, the extent and pace of reform will have to progress substantially, especially in the several aspects of policy in which progress to date have been slowest. Without that regulatory authority, governments in the new member states will lack the ability to promote effective corporate governance and enterprise restructuring, facilitate the development and maintenance of stable banking and non-banking financial institutions that can provide capital and liquidity to enterprises, and maintain a competitive operating environment free of abuses of market power–all of which will be necessary in order to attract investment from domestic and foreign sources and enable firms to compete effectively in the single internal market of the EU.

Unlike the experience of most if not all of the earlier member states, which accumulated the regulatory institutions, norms, and policies appropriate to a market-oriented economy over a long period of time, most of the new member states and accession candidates have had to develop those institutions, norms, and policies in a very short period and without the benefit of a long prior accumulation of appropriate institutions, norms, and policies. Given the pace of regulatory institution-building over the past decade, it seems most unlikely they will attain the standards and performance norms of most of the earlier member states in the near future. As a result, they will

---

[5]In the discussion that follows, I concentrate on the challenges that will face the new member states of central and eastern Europe.

[6]European Bank for Reconstruction and Development, 2003: p. 16.

confront not only the complex task of implementing the *acquis* but the even more difficult task of creating, without the normal long gestation period enjoyed by the earlier members, new regulatory institutions and policies in a variety of economic domains.

Reducing Unemployment and the Government and Trade Deficits. In addition to facing the challenges of implementing the *acquis* and extending the institutional and economic policy reforms, the states that joined the EU in 2004 or will join in the next few years will confront a serious macroeconomic challenge posed by the existence of high rates of unemployment and large government and trade deficits.

Table 2 presents the EU's most recent economic forecasts for the ten new member states and Bulgaria and Romania.[7] Among other things, the forecasts indicate that five of the countries are expected to have rates of unemployment at or above 10 percent of the civilian labor force in 2004 and 2005, despite rather robust and increasing rates of economic growth. In 2004, for example, the unemployment rate is expected to be between 10 and 12 percent in Latvia and Lithuania, 13 percent in Bulgaria, 17 percent in the Slovak Republic, and 20 percent in Poland.[8] In Estonia it will be close to 10 percent. And in the Czech Republic it will be over 8 percent. While decreasing slightly in all of the countries in 2005, it is apparent that the enlargement of 2004 brought into the Union a group of states that, notwithstanding their quite robust rates of growth, confront unusually high rates of unemployment.

One means by which governments in the new member states and accession candidates could provide an employment-generating stimulus to the economy involves increasing public spending and/or decreasing public revenues to such an extent that the size of the budget deficit, relative to the size of the economy, increases. But as they wrestle with the problem of continuing high unemployment, some of the new member states–most notably, the Czech Republic, Poland, Hungary and the Slovak Republic–will find their ability to provide a further fiscal stimulus limited by the fact that their budget deficits are already quite large. As the new members chart a course toward their obligatory full participation in Economic and Monetary Union–by their accession treaties, they entered the third and final stage of EMU with derogations pending their fulfillment of the convergence criteria–and confront the need to bring their budget deficits into line with these criteria, they will find themselves under pressure to reduce their budget deficits, even at the cost of introducing a contractionary impulse into the economy that results in even higher rates of unemployment. Indeed, in early July 2004, following recommendations made by the Commission, the Council invoked the provisions of the Stability and Growth Pact and directed the Czech Republic, Hungary, Poland, the Slovak Republic, as well as Malta and Cyprus, to bring their budget deficits down to under 3 percent of GDP in 2005-08.[9]

In addition to high rates of unemployment and large government deficits, most of the central and eastern European countries that have joined or soon will join the EU have unusually large trade deficits. They are especially large in Cyprus, Malta, and the three Baltic states. In Estonia and Latvia, for example, they are expected to be in the range of 17 to 22 percent of GDP in 2004 and 2005, and in Lithuania they are expected to be in the vicinity of 9 percent of GDP. To some extent, the imbalance between imports and exports of goods is offset in the current account by inflows derived from short-term investments, tourism, etc. But all of the new member states and candidate countries–especially the three Baltic states–are expected to have substantial current account deficits that will have to be financed through the attraction of long-term investment from abroad or international borrowing.

The existence of a large trade and current account deficit in most of the new member states will inevitably create pressure to reduce the deficit either by increasing exports or decreasing imports or both. One might think

---

[7]European Commission, 2004a.

[8]In the first half of 2004, the unemployment rate in Croatia was 17.4 percent.

[9]The Czech Republic and Hungary were given until 2008 to meet the deficit limit. Poland and the Slovak Republic were given until 2007. Malta was given until 2006. And Cyprus (along with Greece) was given until 2005.

their accession to the EU and its large market will allow them to repair those deficits by substantially increasing their exports to the other member states. However, as the data in Table 3 demonstrate, the trade of most of the new member states and accession candidates is already highly concentrated in the EU.[10] Most of them already depend on EU markets for the purchase of more than three-fifths of their exports and most of them nevertheless incur a substantial deficit in their trade with the current member states of the EU. Those facts do not necessarily preclude the possibility that the new members will be able to repair their trade deficits through an expansion of exports to the current EU. But it does suggest that accession is unlikely to provide a quick fix for the structural imbalances that exist in their economies and that in order to reduce those imbalances they will have to improve the ability of their enterprises to compete in both domestic and international markets–something that will require not only the continued reform of regulatory institutions and policies noted earlier but a substantial reallocation of production, investment, and employment between and within the sectors of the economy.

While all of the new member states will face the challenge of transforming their economies so as to increase their competitiveness in the EU, that challenge will be more daunting in some than in others. Table 4 presents measures of the relative degree of economic development of the ten post-Communist countries and the size of their agricultural sectors, both in terms of employment and value added.[11] By comparing the latter two measures, one can estimate the extent to which productivity in the agricultural sector lags behind that in the other sectors of each country's economy. All else being equal, one would expect the countries with relatively high levels of GDP per capita, relatively small portions of the labor force employed in agriculture, and agricultural sectors in which productivity approximates that of the other sectors of the economy to face a less daunting task of economic transformation than those with relatively low levels of GDP per capita, relatively large portions of the work force employed in agriculture, and relatively low levels of productivity in agriculture compared with the other sectors of the economy. To the extent that is true, we would expect the sectoral transformation of the economy to be somewhat less difficult in the Czech Republic, Hungary, and Slovenia, as well as in the Slovak Republic and Estonia, than in Poland, Latvia, and Lithuania, as well as in Bulgaria and Romania. In the latter countries, the combination of relatively low levels of economic development, relatively large agricultural sectors in terms of employment, and relatively low rates of agricultural productivity suggest that the transformation of the economy will be unusually difficult and will, in all likelihood, generate significant additional unemployment.

Financing Accession. As if the challenges of implementing the *acquis* while also extending the economic reforms and dealing with the high levels of unemployment and structural imbalances in the economy were not enough, the new member states of the EU will also confront a challenge in financing the costs of accession. There can be no doubt that the countries that joined the EU in 2004 will, as a group, receive more from the EU than they will pay in to the EU in the first years of membership. But the difference between what they receive and what they pay in will not be great, either in terms of euros or relative to the size of their economies. Indeed, the EU was obliged to provide budgetary compensation to the acceding countries in 2004-06, both in the form of a special cash-flow facility and temporary budgetary compensation, to ensure that none of them ended up worse off after accession than they had been before accession!

Table 5 presents the EU's commitment and payment appropriations for the ten new member states in 2004 and 2005 as well as their contributions to the EU. For 2004, the EU appropriated 10.4 billion euros in commitments for market measures in agriculture, programs to assist rural development, structural actions, and internal policies. Those commitments are expected to rise to 13 billion euros in the 2005 financial year. But actual payments appropriated to the new member states will be considerably less, 3.7 billion euros in 2004 and 7.8 billion euros in 2005.[12] While the full commitments for market measures–chiefly export refunds and intervention

[10]European Commission, 2003b: p. 43.

[11]European Commission, 2003b: p. 42.

[12]For the data on the commitment and payment appropriations for the ten new member states in 2004 and the

measures–and direct aids in agriculture will be paid, only a fraction of the funds committed for rural development and from the structural funds and Cohesion fund will be paid in the same financial year. As a result, the appropriated payments of 3.7 billion euros in 2004 were only some 400 million more than the 3.3 billion euros contributed by the ten new member states 2004. In 2005, the Commission estimated that the ten new member states would receive 7.8 billion in payments from the 13 billion committed, 2.3 billion more than their projected contributions of 5.5 billion euros. To put the magnitude of the aggregate net benefit of the ten new member states–443 million euros in 2004, 2.3 billion euros in 2005–in perspective, the aggregate GDP of the Ten is roughly 500 billion euros, meaning that their net gain from membership in 2004 and 2005 was equivalent to roughly one-half of one percent of their aggregate GDP!

While the ten states that entered the EU in 2004 will, in the aggregate, be net beneficiaries of rather than net contributors to the EU in their first three years of membership, the financial terms of accession nevertheless were less generous than those granted to previous accession candidates. For one thing, the EU decided that the countries that joined in 2004 would make full payment on the various funding resources of the EU as of the first day of membership. In contrast, when Greece entered in 1981 it received a five-year diminishing reduction, from 70 percent to 10 cent, in its payments on the VAT resource. And when Spain and Portugal entered in 1986, they received six-year diminishing reductions, from 87 percent to 5 percent, on their payments on the VAT resource, and those reductions were applied to the GNP resource as well when it was introduced in 1988.

The EU did provide temporary budgetary compensation as well as a special cash-flow facility for the ten new member states. Counting both forms of compensation, they received 1.4 billion euros in 2004 and were budgeted to receive 1.3 billion euros in 2005 and roughly one billion euros in 2006, for a total of 3.7 billion euros over three years. All ten received access to the special cash-flow facility, which represents roughly 70 percent of the 3.7 billion. Four of the ten–Cyprus, Malta, the Czech Republic, and Slovenia–received in addition temporary budgetary compensation to ensure that they did not end up worse off than they had been before accession, in the sense of contributing more to the EU than they received from it.[13] By way of comparison, when Austria, Sweden, and Finland–all of which were relatively affluent countries–entered the Union in 1995, they received a total of 2.5 billion euros in budgetary compensatory payments over four years.

3.7 billion euros in budgetary compensation in 2004-06 is not, of course, an insignificant amount. But to put that amount in perspective, Table 6 lists the compensation received by each in 2004 and 2005 in millions of euros and as a proportion of the country's GDP in 2002. The GDP ratios in Table 6 indicate that in most cases the compensation was quite negligible. Indeed, only in three countries–Cyprus and Malta in both years and Hungary in 2004–did it represent more than 0.4 percent of the country's GDP.

Undoubtedly the single most controversial element in the financial package offered the new member states was the decision to phase in full funding under the Common Agricultural Policy (CAP) over their first decade of membership. In early 2002, the Commission proposed an appropriations schedule that, in effect, deprived the new member states of full participation in the CAP until 2013.[14] A major component of the CAP is the reimbursement of direct payments to farmers made by the member states in the previous year. Since the countries that joined in 2004 were not members in 2003 they received no reimbursement in 2004 for the direct payments to farmers they made in 2003. (This explains the absence in Table 5 of entries for agricultural "Direct Aids" in 2004.) The Commission proposed that in 2005 the new member states should receive reimbursement for their 2004

Commission's proposed appropriations for them in 2005, see European Commission, 2004d and 2004e.

[13]Three of the four–Cyprus, Slovenia, and the Czech Republic–have the highest GDP per capita among the ten new member states. Given the important role of the EU's GDP resource, they were therefore required to make relatively large contributions to the EU.

[14]See European Commission, 2002.

direct payments equal to 25 percent of the level they would have received had they been members prior to 2004. In the next three years, 2006-08, it proposed that they receive reimbursement for their payments in the previous year equal to 30 percent, 35 percent, and 40 percent of the level they would have received had they been members prior to 2004. Thereafter, from 2009 to 2014, it proposed that the rate of reimbursement be increased by 10 percentage points per year until it reached 100 percent reimbursement for the direct payments made in 2013.

In presenting its proposal for a protracted phase-in of CAP direct payments from a low initial base, the Commission claimed that such a scheme was necessary in order to avoid creating disincentives that would delay the restructuring of agriculture in the new member states–a process that inevitably involves eliminating many small, marginal farms and shifting labor out of that sector and that would in all likelihood generate considerable political opposition. In addition, of course, the scheme was politically convenient for the EU, given the EU's budgetary ceiling for the 2000-06 period. But whether a reflection of economic wisdom or political convenience, the scheme not only treats the new member states as less than full members of the EU in one highly important program for nearly a decade after their accession but deprives them of a substantial amount of revenue over that decade–some 8 billion euros in the first three years of membership and more than 20 billion euros in the full ten-year period.[15] As a result, while attempting to restructure the agricultural sector and indeed the entire economy, as well as developing their administrative capacity, extending the reforms, and dealing with high levels of unemployment and structural imbalances in the economy, the new member states will find themselves having to divert funds that could otherwise be used for those purposes in order to make payments that in member states that had joined prior to 2004 were reimbursed by the EU. At Copenhagen in December 2002, the European Council accepted the Commission's proposal for the ten-year phase-in to full reimbursement of agricultural direct aids starting at the 25 percent level recommended by the Commission. Under considerable pressure from some of the accession candidates–most vociferously, Poland–the Council modified the scheme to allow the new members to "top up" the EU's reimbursement of direct payments to farmers by 30 percent–i.e., bringing the rate of reimbursement up to 55 percent in 2005, 60 percent in 2006, 65 percent in 2007, etc. And it agreed that in 2005-07, up to 40 percent of the "top-up" payments could be paid out of EU funds received for rural development. (The new member states will pay the full amount of any "topping up" thereafter.) Based on the data in Table 5, if all of the new member states "topped up" the EU's reimbursement in 2005-07 by the maximum amount of 30 percent, that would add some 2 billion euros of EU money over the three years to the 5 billion euros the EU will pay according to the original schedule. But in return for that additional 2 billion euros, the new member states would have to pay an additional 3 billion euros in non-reimbursed direct aids as their share of the "top up" in addition to the 12 billion euros they will have to pay according to the original schedule.[16]

The impact of this graduated schedule of reimbursement for agricultural direct aids will of course vary widely among the new member states. Its impact will be most acute in the new member states that have the lowest farm incomes and the largest numbers of farmers. As the earlier data presented in Table 4 suggest the impact will

---

[15]As Table 5 indicates, the Commission's provisional draft budget for 2005 projects commitments and payments of 1.4 billion euros for direct aids to farmers. That implies that full reimbursement at the rate received by the states that were members of the EU prior to 2004 would equal approximately 5.6 billion euros. That, in turn, implies a loss (either to farmers, in the event the national governments do not provide additional aid beyond the amount that is reimbursed, or national taxpayers, in the event the governments do provide that additional aid) of 4.2 billion euros in 2005 and 3.9 billion euros in 2006. In the absence of a reduction in the number of farmers receiving direct aids over the first decade of membership, the Commission's schedule would result in total payments to the new member states in 2005-14 of 33 billion euros compared to 56 billion euros if they received full reimbursement of their payments.

[16]Assuming the entry for "Direct Aids" in Table 5 implies the ten new member states paid a total of 5.6 billion euros in such aids in 2004, and assuming all ten opted for the maximum "top up" in 2005-07, the "top up" of 30 percent would be 1.7 billion euros, of which 40 percent, 680 million, would be paid by the EU and 60 percent, 1 billion euros, would be paid by the member states.

be especially severe on Latvia, Lithuania, Poland, and, after 2007, Bulgaria and Romania. In those states–the poorest of the countries that joined in 2004 or will join in 2007–the governments will receive significantly less from the EU in reimbursement for direct aids to farmers than will those in the member states that joined the EU prior to 2004. They will therefore have to either spend unusually large amounts of their own funds in support of farmers–meaning they would have to either take funds from other uses or raise taxes–or reduce the amount they pay farmers, or both.

Public Ambivalence about Accession and Enlargement. As daunting as these challenges are, they are likely to be accentuated by yet another, one that is essentially political. As the governments of the new member states endeavor to deal with the several challenges posed by accession, they are likely to find their capacity to act effectively constrained by the considerable ambivalence about, if not opposition to, enlargement and the EU that exists in many of the fifteen states that were members prior to May 1, 2004, and, indeed, in their own publics.

That there is a considerable degree of ambivalence about or opposition to enlargement in the fifteen member states of the pre-2004 EU is suggested by the growing electoral popularity in recent years of leaders and parties that are skeptical about, if not altogether hostile to, European integration–leaders and parties such as Umberto Bossi and the *Lega Nord*, Silvio Berlusconi and the *Forza Italia*, Jörg Haider and the Austrian Freedom Party, Pim Fortuyn and the party he founded in the Netherlands, Pia Kjaersgaard and the Danish People's Party, and Jean-Marie Le Pen and the *Front National*. Whether or not those parties participate in government or form part of the parliamentary majority–and, with the notable exception of the *Front National* and the LPF, all of them do participate in government or its parliamentary majority–the governments in those countries, and perhaps in others as well, are likely to be less willing than they otherwise might be to assist the new member states in meeting the challenges of accession.

Perhaps of even greater consequence for the governments of the new member states as they cope with the challenges of accession will be the popularity in their own electorates of leaders and parties that are skeptical about the EU. After more than a decade of wrenching social and economic change and the protracted and difficult negotiation of accession, such leaders and parties have attracted increased support. Among the more well-known examples are the Thatcherite skepticism voiced by the current president of the Czech Republic, Václav Klaus, and the party he has led, the Civic Democrats, the euroskepticism of Viktor Orban and *Fidesz*, the former governing party of Hungary, and the unambiguous hostility to the EU voiced by Andrzej Lepper's *Samoobrona* movement and the ultra-nationalist League of Polish Families.

Most recently, the 2004 elections for the European Parliament witnessed increased support for euroskeptic parties in many of the twenty-five member states. Perhaps the most dramatic instance occurred in Britain, where the UK Independence Party, dedicated to taking the country out of the Union, obtained nearly 17 percent of the vote, more than the Liberal Democrats and within six percentage points of the governing Labour Party, and twelve seats in the Parliament. But euroskeptic parties did well in a number of other countries as well: In France, four parties–the *Front National*, the *Mouvement pour la France*, the *Rassemblement pour la France*, and *Chasse Pêche Nature Tradition*s–won 20 percent of the vote; in Belgium, the *Vlaams Blok* won 24 percent of the vote in Flanders and ran a close second to the Christian Democrats; in the Netherlands, a new party, *Europa Transparant*, led by Paul van Buitenen, an EU whistle-blower, won seven percent of the vote; in Austria, another new party led by another EU whistle-blower, Hans-Peter Martin, won 14 percent of the vote; in Ireland, the anti-EU Sinn Fein won more than 11 percent of the vote and its first seat in the Parliament; in Denmark and Sweden, the anti-EU *Juni* block and list won, respectively, 9 percent and 14 percent of the vote; in Poland, *Samoobrona* won 11 percent of the vote and the League of Polish Families won 16 percent; in the Czech Republic, the Civic Democrats won 30 percent of the vote and the anti-EU Communist party won 20 percent; in Hungary, *Fidesz* won 47 percent of the vote; and in Slovenia, the New Slovenia party won 24 percent of the vote.

A measure of the extent of ambivalence about or opposition to enlargement that exists in much of the EU–in particular, in the fifteen member states that constituted the EU prior to May 1, 2004–is found in the responses obtained in Eurobarometer surveys conducted in the spring of 2004. Table 7 presents the responses in all twenty-five member states to a question asking respondents their views with regard to enlargement.[17] These data suggest that while there is substantial support for enlargement in several of the states that were members prior to 2004–most notably, Greece, Ireland, and Spain–there is less support–in some instances, *much* less support–in other member states. In the entire pre-2004 EU, only 42 percent of all respondents said they supported the 2004 enlargement, while 39 percent said they were against. Less than one-half of the respondents in Finland and the Netherlands, and less than 40 percent of the respondents in Belgium, France, Luxembourg, Austria, Britain, and Germany, supported enlargement, and in all of those countries at least 40 percent of the respondents were opposed to the enlargement. In the Netherlands, Belgium, France, Luxembourg, Austria, Britain, and Germany, the number opposed to enlargement exceeded the number who favored it. In Germany, Austria, and Luxembourg, more than 50 percent of the respondents opposed enlargement. Should such patterns of support and opposition continue, they are likely to give pause to governments–even those in countries that have not experienced a surge in support for euroskeptic parties–that might otherwise be inclined to consider some further budgetary means of assisting the new entrants in coping with the challenges of accession.

One observes a dramatically different distribution of support for and opposition to enlargement in the ten new member states. Support for enlargement is much greater, ranging as high as 70 to 80 percent in Cyprus, Hungary, Poland, the Slovak Republic, and Slovenia. Opposition to enlargement is much less widespread than in the pre-2004 EU; in only three of the new member states–Latvia, Malta, and Estonia–were more than 14 percent of the respondents opposed to enlargement and in no state were more than 20 percent of the respondents opposed to enlargement. At one level, of course, the difference between the fifteen pre-2004 member states and the ten new member states in the extent of support for and opposition to enlargement is not surprising. On the other hand, the magnitude of the difference is surprising when juxtaposed with the similarity that exists between the two groups of member states in the extent of support for and opposition to the EU's common foreign and security policy, a common defense policy, EMU, and the new constitution.[18] Indeed, among all the issues about which respondents were questioned in the Eurobarometer surveys, the greatest difference, by far, between the publics in the pre-2004 EU and those in the new member states concerns enlargement.

In Eurobarometer surveys in 2001 and 2002, the support for enlargement in the fifteen states that were members of the EU hovered in the range of 50-52 percent. The erosion that occurred in 2003–in the spring of that year only 46 percent of EU citizens supported enlargement–may have been a by-product of the tensions that appeared between some of the current and prospective member states in the late stages of the accession negotiations and, to an even greater degree, in the weeks and months preceding the war in Iraq. It is possible that, in time, those effects will wear off and support for enlargement in the pre-2004 member states will return to the range of 50 to 52 percent (or higher). On the other hand, as the data in Table 8 demonstrate, the erosion in net support for enlargement, as measured by the change from 2002 to 2004 in the difference in each country between the proportions favoring and opposed to enlargement, was considerable and widespread. It was not confined to the states–Germany, France, Belgium, and Luxembourg–that were on the frontline of opposition to the U.S. and the U.K. with regard to Iraq. (The fact that the net support for enlargement eroded only slightly in France was, of course, a function of the fact that it was already at unusually low levels in 2002.) Nor was it confined to those countries and the four neutral member states–Austria, Finland, Sweden, and Ireland–that could have been

[17]The exact wording of the question was "What is your opinion on the following statement? Please tell me whether you are for it or against it: The enlargement of the European Union to include ten new countries this May." The responses are reported in European Commission, 2004b.
[18]See European Commission, 2004b.

expected to disagree, as a matter of principle, with the support given by most of the prospective member states to Britain and the U.S. in the run-up to the war. Rather, the erosion in support for enlargement appears to have been an EU-wide phenomenon.

While the unusually high levels of support for enlargement in the ten new member states suggests that the governments in those countries might enjoy a comfortable cushion of support as they address the challenges posed by accession, the data in Table 9 suggest that support is quite soft. Table 9 reports the proportions of the respondents who said in the spring of 2004 that their country's membership in the EU would be a "good thing," a "bad thing," or "neither good nor bad." One notes that, despite the high levels of support for enlargement, a significantly smaller portion of the respondents–only 43 percent in all ten countries–said membership would be a "good thing"; 33 percent said membership would be "neither a good thing nor a bad thing"; and 16 percent said it would be a "bad thing." Only in Lithuania and Malta did more than one-half of the respondents say membership would be a "good thing." In Estonia and Latvia, no more than one-third of the respondents took that position.[19]

While the proportions saying membership would be a "bad thing" were not large–ranging from 9 percent in Slovakia to slightly more than 20 percent in Estonia and Latvia–the proportions saying membership would be "neither good nor bad" ranged from 26 percent in Malta to 44 percent in Slovenia. Clearly, despite the unusually high degree of support for the 2004 enlargement, a very large proportion of the publics in the new member states are not yet convinced that membership in the EU will be a "good thing" for their country.

Table 10 compares the responses in the ten new member states to this question in 2004 with those offered a year earlier. What stands out above all is the marked erosion in the new member states in the proportion saying membership would be a "good thing" and, conversely, the marked increase in most of the states in the proportions saying membership would be "neither good nor bad" or "bad." The erosion was greatest in Cyprus –no doubt a reflection of the bitter conflict between the government and the EU that occurred after the government, and then the Greek Cypriots in the referendum of April 2004, rejected the Annan Plan. But it was considerable, also, in Lithuania, Hungary, Poland, Slovenia, and the Slovak Republic. Evidently, and again notwithstanding their high degree of support for the 2004 enlargement, the publics of the new member states became increasingly skeptical about membership in the EU in the run-up to accession.

Another measure of the skepticism about membership that existed in most of the publics of the new member states prior to their accession can be found in the results of the advisory or binding referendums on accession that took place in nine of the ten countries–all but Cyprus–in 2003. Aside from the first referendum in Malta, which was marked by an extraordinarily high turnout (91 percent) and an unusually close vote (54 percent in favor of accession), the referendums resulted in surprisingly large majorities, ranging from 67 percent in Estonia and Latvia to 90 percent or more in Slovenia, Lithuania, and Slovakia. But as impressive as those large majorities were, in most of the countries the "yes" voters represented less than one-half of the electorate.

Table 11 presents the results of the nine referendums and includes the turnout figures, the proportions of voters supporting accession, and the proportions of the *electorates* voting in favor of accession.[20] The data in the third column of the table indicate that accession was favored by a substantial majority of the *electorate* in only two

---

[19]The unusually low degree of support for and high degree of opposition to EU membership in Estonia and Latvia may result in part from the fact that the Eurobarometer surveys in those countries include non-citizens who are permanent residents; 25 to 30 percent of the Estonian and Latvian populations are of Russian heritage. Substantial portions of those of Russian heritage do not speak the national language, and in part for that reason–ability to function in the national language being a condition of citizenship–slightly more than 20 percent of those who are not Estonian or Latvian do not have citizenship. (In Lithuania, the situation is quite different. Only about 6 percent of the population is Russian–there are in fact more Poles than Russians–and less than 10 percent of those who are not Lithuanian do not have citizenship).
[20]The latter figure is, of course, simply the product of the other two.

countries–Slovenia and Lithuania. Apart from those two, less than one-half of the electorate in the seven other countries endorsed accession. In Hungary, which experienced an unusually low turnout (46 percent), the Czech Republic, and Estonia, only about 40 percent of the electorate supported accession, in the sense of being sufficiently supportive to turn out and vote in favor.

A more recent manifestation of apparent apathy that may mask skepticism about if not active opposition to the EU occurred in the June 2004 elections for the European Parliament. Most commentators had anticipated that, as in the first elections after accession in Spain and Portugal in 1987 and in Austria and Finland in 1996, the level of turnout in the ten new member states would be unusually high. In fact, however, as the data in Table 12 indicate, the turnout in the eight new member states in central and eastern European states was unusually low. Among those eight, more than 40 percent of the voters turned out in only two countries–Latvia (41.3 percent) and Lithuania (48.4 percent)–and in one of those–Lithuania–turnout may have been high because the presidential election took place on the same day. In Poland, Estonia, the Czech Republic, the Slovak Republic and Slovenia, the turnout rate was less than 30 percent–a level of disinterest that had been recorded only once (in Britain in 1999) in all of the elections for the European Parliament in all of the member states since direct elections commenced in 1979. In no other member state has the turnout level in an election for the European Parliament reached the low levels recorded in Poland (20.9 percent) and the Slovak Republic (17.0 percent) in 2004.[21] In most of the new member states–indeed, in all of the new member states from central and eastern Europe except Lithuania–the turnout for the European Parliament election in June 2004 was far below that in the most recent national election.

Dissatisfaction with the Way Democracy Works and Distrust of Government. The significant degree of skepticism about or indifference or opposition to the EU in most if not all of the central and eastern European candidate countries, whether reflected in responses to questions asked in Eurobarometer surveys or in abstention or opposition to accession in the 2003 referendums and 2004 European Parliament elections, does not mean the new member states will fail to meet the challenges posed by accession. But it does suggest that unless there is some as yet unforeseen groundswell of public support in the new member states for membership in the EU, the governments of several of the new members will not be able to draw upon an inexhaustible supply of political support, and may encounter significant resistance, as they address those challenges. That is likely to be true especially, of course, if the EU comes to be regarded as having been punitive or miserly in its terms of accession and if, in addressing the various challenges of accession, the governments are required to impose significant costs on their citizens.

The difficulty of maintaining political support as they address the challenges posed by accession is likely to be exacerbated by the existence in most of the new member states of a widespread dissatisfaction with the way democracy works in the country and an exceptionally low degree of trust in government. Table 13 presents the proportions of respondents in the ten new member states and two of the four candidate countries who said they were either very or fairly satisfied, or not very or not at all satisfied, with the way democracy works in their country.[22] The data indicate that less than one-quarter of the respondents in the ten new member states said they were very or fairly satisfied with the way democracy works in their country while nearly three-quarters said they were not very or not at all satisfied. By way of comparison, more than one-half of the respondents in the other fif-

---

[21]Turnout in the 2004 European Parliament elections in the fifteen pre-2004 member states averaged 45.5 percent and ranged from 37-40 percent in the Netherlands, Britain, Sweden, and Portugal to 70 percent in Italy and 90 percent in Belgium and Luxembourg. In Belgium and Luxembourg (and Greece), however, voting is compulsory. In Italy, voting is a civic obligation but not compulsory. The overall rate of turnout has dropped in every election since 1979. For a discussion, see Cameron, 2005.

[22]European Commission, 2004b. In Tables 13 and 14, we have included the results of the Eurobarometer surveys conducted in Bulgaria and Romania.

teen member states said they were very or fairly satisfied with the way democracy works in their country and only slightly more than 40 percent said they were not very or not at all satisfied.[23]

In Cyprus and Malta, substantial majorities said they were satisfied with the way democracy works in the country. But in no other country among the ten that joined the EU in 2004 did more than 43 percent of the respondents say they were satisfied with the way democracy worked. In Hungary, Estonia, and Lithuania, only 30 percent of the respondents said they were satisfied with the way democracy worked while between 56 to 66 percent said they were dissatisfied. In Poland and the Slovak Republic, as well as in Bulgaria and Romania, less than 20 percent of the respondents said they were satisfied with the way democracy worked while roughly *80* percent or more said they were dissatisfied! Whether a reflection of the rather brief existence of democratic politics in the post-Communist era, the accumulation of grievances generated by the economic and social policies pursued by democratic governments over the past decade, shortcomings in the design of the institutions of post-Communist democracy, or the performance of particular governments, the extensive dissatisfaction with the way democracy works in the new member states and candidate countries of central and eastern Europe can only exacerbate the political difficulties their governments will face as they try to address the challenges posed by accession.

The high levels of dissatisfaction with the way democracy has worked in the new member states of central and eastern Europe are accompanied by equally high levels of distrust in the national government. As the data in Table 14 indicate, only 17 percent of the respondents in the Eurobarometer surveys conducted in the ten new member states in the spring of 2004 said they tended to trust the national government. Almost three-quarters–74 percent–said they tended to *dis*trust their national government. Except in Estonia, in none of the new member states of central and eastern Europe does the proportion of respondents saying they tend to trust the government exceed 31 percent, and in several–most notably, the Slovak Republic and Poland–the proportions are much lower. In the Slovak Republic, only 17 percent said they tended to trust the government while 75 percent said they tended to distrust the government. In Poland, only *7* percent said they tended to trust the government while *85* percent said they tended to distrust the government. With such high levels of dissatisfaction with the way democracy works and distrust of government, it would be surprising if the governments were able to marshall sufficient support over sufficiently long periods to introduce and implement the policies required to successfully address the challenges posed by accession. Indeed, with such depleted stocks of political capital, the near-term prospect for many of these countries is likely to be, instead, electoral volatility as dissatisfied and distrustful voters shift from one party to another, unstable governments of short duration as voters abandon governing parties in favor of their opponents, and a growing backlog of unmet challenges deriving from membership in the EU.

Conclusion

This paper has considered five challenges that will be faced by the central and eastern European states that joined the EU in 2004 or will join it in the near future. One involves the ability to develop the administrative capacity necessary to implement the *acquis*. A second involves the ability to extend and deepen the reforms that will eventually result in the transformation of their economies into market-oriented systems comparable to and competitive with those in the current EU. A third involves the ability to reduce the high levels of unemployment while also addressing the underlying structural imbalances that have given rise to large government, trade, and current account deficits. A fourth involves the ability to finance the transition to membership in the face of the less-than-generous terms offered by the EU.

To a considerable degree, the ability of the governments of the new member states to address successfully these challenges will depend ultimately upon their ability to surmount a fifth challenge–the political one posed by the considerable skepticism about, and even outright opposition to, their accession that exists not only in their own polities but throughout the EU. Over the long run, the extent to which accession succeeds or fails is likely to

[23]European Commission, 2004b.

depend, more than anything else, on how well the governments of the new member states are able to persist in their efforts to administer the *acquis*, deepen the reform and transformation of the economy, reduce the high levels of unemployment and the high budget, trade, and current account deficits, and finance the costs of accession in the face of that skepticism and opposition. But that may depend, ultimately, on the stock of political capital on which governments can draw as they attempt to institute painful reforms. And as we have seen, that stock is severely depleted in many of the new member states.

Table 1

EBRD Transition Indicators of Economic Reform, 2003

	Liberalization of Trade & Foreign Exchange	Price Liberalization	Small-Scale Privatization	Large-Scale Privatization	Bank Reform and Interest Rate Liberalization	Reform of Corporate Governance and Enterprise Restructuring	Regulation of Securities Markets and Financial Institutions	Effective Competition Policy
Czech R.	4.3	4.3	4.3	4.0	3.7	3.3	3.0	3.0
Estonia	4.3	4.0	4.3	4.0	3.7	3.3	3.3	2.7
Hungary	4.3	4.3	4.3	4.0	3.3	3.7	3.0	3.0
Latvia	4.3	4.3	4.3	3.3	3.7.	3.0	3.0	2.7
Lithuania	4.3	4.3	4.3	3.7	3.0	3.0	3.0.	3.0
Poland	4.3	4.3	4.3	3.3	3.3	3.3	3.7	3.0
Slovak R.	4.3	4.3	4.3	4.0	3.3	3.0	2.7	3.0
Slovenia	4.3	4.0	4.3	3.0	3.3	3.0	2.7	2.7
Bulgaria	4.3	4.3	3.7	3.7	3.3	2.7	2.3	2.3
Croatia	4.3	4.0	4.3	3.3	3.7	2.7	2.7	2.3
Romania	4.0	4.3	3.7	3.3	2.7	2.0	2.0	2.3
Average	4.3	4.2	4.2	3.6	3.4	2.0	2.9	2.7

Source: European Bank for Reconstruction and Development, 2003: p. 16.

Table 2: Economic Forecasts for the Ten New Member States and Bulgaria and Romania, 2004-05

	% Change GDP		% Unemployed		% GDP, Gov't Deficit		% GDP, Trade Deficit	
	2004	**2005**	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**
Cyprus	3.4	4.1	4.1	4.0	4.6	4.1	25.4	25.4
Czech Republic	2.9	3.4	8.2	8.2	5.9	5.1	2.8	2.8
Estonia	5.4	5.9	9.7	9.6	(0.7)	0.0	18.4	17.4
Hungary	3.2	3.4	5.7	5.6	4.9	4.3	4.1	3.1
Latvia	6.2	6.2	10.3	10.1	2.2	2.0	20.7	22.3
Lithuania	6.9	6.6	11.5	10.7	2.8	2.6	9.1	9.2
Malta	1.4	2.0	8.6	8.1	5.9	4.5	18.3	17.9
Poland	4.6	4.8	19.6	19.3	6.0	4.5	2.8	3.5
Slovak Republic	4.0	4.1	16.5	15.9	4.1	3.9	2.8	3.5
Slovenia	3.2	3.6	6.4	6.2	1.7	1.8	2.7	2.7
Bulgaria	5.0	5.5	12.5	11.0	0.7	1.0	10.0*	10.0*
Romania	5.1	5.3	7.6	7.3	3.0	3.0	8.0*	8.0*

Source: European Commission, 2004a. * = estimate.

Table 3: Trade Between the Accession Candidates and the EU, 2002

	% of All Exports Going to the EU	% of All Imports From the EU	Trade Deficit with the EU (Million euros)
Cyprus	48.0	55.8	2,173
Czech Republic	68.4	60.2	1,673
Estonia	68.0	57.9	847
Hungary	75.1	56.3	(68)
Latvia	60.4	53.0	620
Lithuania	48.4	44.5	1,290
Malta	46.6	67.0	1,575
Poland	68.7	61.7	9,165
Slovak Republic	60.	0.3	(982)
Slovenia	59.4	68.0	1,806
Bulgaria	55.6	50.2	606
Croatia	52.9	55.8	n.a.
Romania	67.1	58.4	1,003

Source: European Commission, 2003b: p. 43.

Table 4
The Level of Income and the Size and Productivity of the Agricultural Sector in the Ten Post-Communist Accession Candidates, 2002

		Agriculture	
	GDP/c as % Of EU Average	% Employed	% Gross Value Added
Cyprus	72	5.3	4.3
Czech Republic	60	4.9	3.7
Estonia	42	6.5	5.4*
Hungary	57	6.0	4.3
Latvia	35	15.3	4.7
Lithuania	39	18.6	7.1
Malta	55**	2.3*	2.8
Poland	39	19.6	3.1
Slovakia	47	6.6	4.5
Slovenia	74	9.7	3.3*
Bulgaria	25	20.7***	12.5
Romania	25	37.7	13.0

Source: European Commission, 2003b: p. 42.
*: 2001
**: 1999
***: estimate

Table 5: EU Commitment and Payment Appropriations to, and Contributions of, the Ten New Member States, 2004-05
(Million euros)

	2004		2005	
	Commitments	Payments	Commitments	Payments
Agriculture:				
Market Measures	287	287	300	300
Direct Aids	–	–	1,394	1,394
Rural Development	1,733	645	1,931	1,369
TOTAL	2,020	932	3,625	3,063
Structural Actions:				
Structural Funds	3,812	1,702	5,355	3,093
Cohesion Fund	2,897	158	2,394	671
TOTAL	6,709	1,860	7,749	3,764
Internal Policies:	1,633	904	1,600	967
TOTAL	10,362	3,696	12,974	7,794
Total Contributions, 10 New Member States	3,253		5,516	
Net Benefit, 10 New Member States	443		2,278	
Budgetary compensation to 10 New Member States	1,410		1,305	

Source: European Commission, 2004d and 2004e.

Table 6
EU Budgetary Compensation to Ten New Member States in 2004 and 2005

	2004		2005	
	Million euros	% of GDP	Million euros	% of GDP
Cyprus	107	1.0	138	1.3
Czech Republic	332	0.4	300	0.4
Estonia	17	0.2	3	<0.1
Hungary	172	2.5	31	0.4
Latvia	22	0.2	4	<0.1
Lithuania	39	0.3	7	<0.1
Malta	55	1.3	103	2.5
Poland	490	0.2	612	0.3
Slovakia	70	0.3	13	<0.1
Slovenia	105	0.4	94	0.4
Total	1,410	0.3	1,305	0.3

Source: European Commission, 2004d and 2004e . GDP ratios based on GDP in 2002.

Table 7: Support for Enlargement in the EU, Spring 2004

(% of Respondents)

	For	Against	Don't Know
Greece	66	19	15
Ireland	60	22	18
Spain	59	18	23
Denmark	59	31	10
Italy	55	25	20
Sweden	54	37	9
Portugal	52	27	21
Finland	48	44	8
Netherlands	44	45	11
Belgium	38	49	13
France	37	47	16
Luxembourg	37	51	13
Austria	34	52	14
United Kingdom	31	40	29
Germany	28	56	16
EU 15	42	39	19
Cyprus	80	7	13
Slovak Republic	80	7	13
Slovenia	79	11	10
Hungary	74	10	16
Poland	72	14	14
Malta	68	17	15
Lithuania	67	9	24
Latvia	67	15	18
Czech Republic	63	14	23
Estonia	58	20	22
10 New Member States	71	13	16

Source: European Commission, 2004b.

Table 8: Change in Net Support for Enlargement in the EU, Autumn 2002 to Spring 2004

% For - % Against

	Autumn 2002	Spring 2004	Change
Greece	59	47	-12
Denmark	52	28	-24
Ireland	52	38	-14
Spain	49	41	- 8
Italy	45	30	-15
Sweden	42	17	-25
Portugal	40	25	-15
Netherlands	30	-1	-31
Finland	27	4	-23
Luxembourg	22	-14	-36
Belgium	20	-11	-31
Austria	20	-18	-38
Germany	12	-28	-40
United Kingdom	10	-9	-19
France	-8	-10	-2
EU 15	22	3	-19

Source: European Commission, 2003c and 2004b.

Table 9
Support for EU Membership in the Ten New Member States, Spring 2004

% Saying Country's Membership in the EU Would Be:			
	Good Thing	Neither Good Nor Bad	Bad Thing
Lithuania	52	30	12
Malta	50	26	16
Slovakia	46	39	9
Hungary	45	32	15
Cyprus	42	38	16
Poland	42	33	18
Czech Republic	41	28	17
Slovenia	40	44	13
Latvia	33	38	22
Estonia	31	39	21
10 new members	43	33	16

Source: European Commission, 2004b.

Table 10: Change in Proportions of Respondents in Ten New Member States Saying EU Membership is "Good," "Neither Good nor Bad," or "Bad," Spring 2003 to Spring 2004

Change in % Saying Country's Membership in the EU Would Be:			
	Good Thing	Neither Good Nor Bad	Bad Thing
Cyprus	-30	+17	+12
Lithuania	-13	+ 7	+ 3
Hungary	-18	+ 9	+ 8
Poland	-19	+10	+11
Slovakia	-13	+ 9	+ 4
Slovenia	-17	+11	+ 6
Malta	- 1	+ 2	- 3
Czech Republic	- 5	- 4	+ 4
Latvia	- 4	- 2	+ 7
Estonia	0	- 3	+ 5

Source: European Commission, 2003c and 2004b

Table 11: Results of the 2003 Referenda on Accession to the EU

	% of Electorate Voting in Referendum	% of Voters voting in favor of Accession	% of Electorate voting in favor of Accession
Malta (March 9)	91	54	49
Slovenia (March 23)	60	90	54
Hungary (April 12)	46	84	39
Lithuania (May 10-11)	63	91	57
Slovakia (May 16-17)	52	93	48
Poland (June 7-8)	59	78	46
Czech Republic (June 13-14)	55	77	42
Estonia (Sept. 14)	64	67	43
Latvia (Sept. 20)	73	67	49

Source: European Commission, Official results.

Table 12: Voter Turnout in Most Recent National Election and 2004 European Parliament Election in the Ten New Member States

	% Turnout	
	Most Recent National Election	European Parliament Election
Malta	96.0	82.4**
Cyprus	91.8*	71.2
Lithuania	55.9	48.4**
Latvia	71.5	41.3
Hungary	73.5	38.5
Slovenia	72.1	28.3
Czech Republic	58.0	28.3
Estonia	58.2	26.8
Poland	46.3	20.9
Slovak Republic	70.0	17.0
Other 15		45.5

Source: European Commission, 2004c.
* : Voting is compulsory in Cyprus.
** : In Malta, local elections took place on the same day as the European Parliament election.
In Lithuania, the presidential election took place on the same day as the European Parliament election.

Table 13: The Extent of Public Satisfaction with the Way Democracy Works in the Country, in Ten New Member States and Two Candidate Countries, Spring 2004

	% Very/Fairly Satisfied	% Not Very/Not at All Satisfied
Cyprus	75	23
Malta	56	40
Czech Republic	43	53
Slovenia	43	55
Latvia	35	56
Hungary	31	66
Estonia	30	63
Lithuania	29	62
Slovakia	18	80
Poland	16	83
10 New Member States	24	73
Bulgaria	19	75
Romania	18	80

Source: European Commission, 2004b.

Table 14: Trust in the National Government in the Ten New Member States and Two Candidate Countries, Spring 2004

	% of Respondents Saying that They Tend to:	
	Trust National Government	Not Trust National Government
Cyprus	75	21
Malta	49	39
Estonia	45	44
Lithuania	31	59
Hungary	31	58
Latvia	28	63
Slovenia	27	66
Czech Republic	25	64
Slovak Republic	17	75
Poland	7	85
10 New Member States	17	74
Bulgaria	19	72
Romania	36	54

Source: European Commission, 2004b.

REFERENCES

Cameron, David, 2004. "The Stalemate in the Constitutional IGC over the Definition of a Qualified Majority," *European Union Politics*, 5,3: 375-93.

___________, 2005. "The Democratic Deficit, the Constitution and the Elusive Quest for Legitimacy in the European Union," to be presented at the biennial meeting of the European Union Studies Association, Austin, Texas, April.

European Bank for Reconstruction and Development, 2003. *Transition Report 2003*, London: EBRD.

European Commission, 2002. "Communication: Information Note: Common Financial Framework 2004-06 for the Accession Negotiations," SEC (2002) 102 Final, January 30, 2002.

European Commission, 2003a. "Comprehensive Monitoring Report of the European Commission on the state of preparedness for EU membership of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, and Slovakia," October, 2003, Brussels.

European Commission, 2003b. "Continuing Enlargement: Strategy Paper and Report of the European Commission on the progress towards accession by Bulgaria, Romania, and Turkey," November, Brussels.

European Commission, 2003c. *Eurobarometer 59, Spring 2003,* Brussels.

European Commission, 2004a. "Economic Forecasts: Spring 2004," March 2004, Brussels.

European Commission, 2004b. *Eurobarometer Spring 2004: Public Opinion in the EU*. Joint full report of *Eurobarometer 61* and *Candidate Country Eurobarometer 2004.1*. Brussels: July 2004.

European Commission, 2004c. "Eurobarometer Post European elections 2004 survey," Brussels, July 2004.

European Commission, 2004d. *General Budget of the European Union for the Financial Year 2004*. Brussels, April 2004.

European Commission, 2004e. "Preliminary Draft Budget of the EU for Financial Year 2005." Brussels, June 2004.