

Agata Jurkowska

Go East or stay West?

As the title of my paper suggests, I would like to concentrate on the very hot problem of the European Union: should the enlargement be continued or should current borders of the European Union stay still? In other words, this question focuses on the issue if the European Union is interested in further enlargement.

The concept of “going East” should be treated rather broadly; it covers not only Ukraine, but also Turkey, Balkans, Moldova and even Byelorussia in the further perspective.

There is no doubt the European Union has been facing a deep crisis, commonly known as “enlargement crisis” and also “constitution crisis”¹. It is true that Europe cannot deal with the idea of itself. We are discussing the borders of Europe, models of integration, political basis as well as economic and social dimension of so called “New Europe”. But it is also true that most of those problems come rather from the internal situation of particular Member States than the heart of European integration. While considering enlargement problems on the EU level, everybody actually agrees that the European integration is a desirable process in the global world, that

¹ See: N. Walker, *Big 'C' or Small 'c'?*, “European Law Journal”, Vol. 12, No. 1, January 2006, pp. 12-14.

the European Union needs modern governance and new incentives for economic and social development.

What do European institutions say about the enlargement 2004? As it is indicated in the Communication from the Commission², adopted for the second anniversary of the enlargement, that historic event was a big success where everybody, either new or old Member States, won. Due to the report prepared by the Bureau of European Policy Advisers and the Directorate-General for Economic and Financial Affairs ten acceding Member States' economies are growing at a rapid pace enabling them to progressively bridge the gap with their richer neighbours³. But the latter also win as the increase of the EU's single market by 75 million to 450 million inhabitants brings a wealth of trade and investment opportunities. The report underlines that the enlargement has acted as a force of modernization in the EU as a whole what is highly important in the context of changing global scene and appearing such actors as China or India. "The enlargement is helping the EU cope better with the new world economic order"⁴.

Let me quote some numbers contained in the report: new Member States experienced 3¾ % a year between 1997 and 2005 (whereas old Member States in the same time reached 2½ % on

² Communication from the Commission to the Council and European Parliament, *Enlargement, Two Years After – An Economic Success*, COM(2006) 200 final 3 May 2006.

³ *Enlargement, Two Years After – An Economic Evaluation*, European Economy – Occasional Papers, No 24 May 2006 (available at: http://ec.europa.eu/economy_finance/publications/occasional_papers/2006/ocp24en.pdf). Most data and numbers quoted in the paper have their source in that document.

average). The EU15 share of total EU10 trade increased from about 56 % in 1993 to 62 % in 2005. The EU10 also attracted a lot of foreign direct investment (FDI), reaching an overall stock of €191 billion in 2004, or 40 % of their total GDP. Unfortunately, unemployment rate in the EU10 is still 5.5 percentage points higher than in the EU15.

The old Member States are not very eager in confirming that the enlargement had a positive impact on their economies. Only the British were brave enough to admit that citizens of new Member States contributed in quite a big proportion to the growth of British GDP. Other countries are rather reluctant to state that the enlargement improved economic conditions in Europe. On the other hand, the enlargement process and new Member States are usually blamed for internal problems of countries of old Europe, no matter if those problems arise from the necessity of reforming pensions systems, the abnormal strength and activity of trade unions or growing problems with national minorities⁵. One of main arguments against new Member States is the fact that employees from the acceding countries can conquer labour markets of old Europe, causing an increase of unemployment rate among nationals. It was a “doomsday scenario”⁶ announced mainly by Austria, Germany and France. What

⁴ Opinion expressed by Joaquín Almunia, Economic and Monetary Affairs Commissioner - see Press Release: *Enlargement, two years on: all win as new Member States get richer*, IP/06/557 (3 May 2006).

⁵ *Myths and facts about Enlargement* (available at: http://ec.europa.eu/comm/enlargement/faq/myths_en.htm).

⁶ See the statement by O. Rehn, Enlargement Commissioner, in Press Release indicated in reference 4.

seems significant, that scenario of migration flow didn't come true!⁷ Great Britain, Ireland and Sweden rejected all those fears at the very beginning and they opened their labour markets for citizens of all the EU Member States. Governments of all those three countries saw the chance to enhance competitiveness of their economies with massive help of specialists and workers from new Member States. Nowadays – two years after enlargement – those “pioneer countries” are being followed by Greece, Spain, Portugal. Even France is loosening its strict employment policy. The other part of doomsday scenario told about unusual costs of enlargement – the increase in expenses for European institutions, structural funds, etc. Finally that cost amounts only for 0.1% of annual GDP of the old Member States. These are all evidence that enlargement should be treated rather as an economic chance than burden.

I am convinced that in economic terms further enlargement and the EU extension to the East and South of Europe is absolutely necessary. Building competitiveness on a global arena requires broadening the market, improving the access to consumers as well as natural resources and cheaper labour force. The enlargement process includes all those benefits. We have to remember that for the time being Europe needs a competitive advantage over not only the USA or Japan as it was predicted in the Lisbon Strategy. China and India are knocking at the door of economic leadership in the world – comparing to them the current European Union with somewhat like 450

⁷ Communication from the Commission to the Council and European Parliament, Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004 – 30 April 2006), COM(2006) 48 final.

million of consumers is just nothing. So let us not talk about the cost of enlargement, let us talk about the obvious benefits.

The only price that should be mentioned as valuable, just value-for-money, for the enlargement is the price of political change. Democracy, word liberty, human rights protection, rule of law should always stay a precondition for a Candidate State status, not mentioning Member State status. Those elements should stay a herald of the European Union as these are values that to some extent guarantee the stability of the organization. We still should remember that European integration process arouse sixty years ago as a protest against war.

There is a tendency of treating strict political and legal requirements of the EU membership as an unnecessary barrier to the integration. That way of thinking should be absolutely forgotten. For most countries a perspective of association or membership in the European Union is one of the main incentive to undertaken internal reforms of political and social sphere. The vision of EU membership allowed for implementing many political and economic reforms in countries that used to be “Eastern bloc countries” and nowadays enjoy Member States status.

In many cases the pressure of the European Union makes the solution of problems much faster. The best example could be the solution of a border conflict between Croatia and Slovenia. In Macedonia, among others, the intervention of the European Union guaran-

teed sustaining the stability after the outburst of domestic conflict at the beginning of the 21st century⁸.

What seems very important, the European Union is determined to guard the common European values. It has been recently shown by the decision on calling off the negotiations on future association with Serbia as the country had not been following the EU instructions on resolving internal problems.

We got used to the current situation somehow, but it is quite amazing and unusual that countries, such as Poland, Slovakia, Czech Republic, Lithuania, Latvia, that not later than 20 years ago were directly or indirectly a part of the Soviet emporium, nowadays enjoy the EU membership and in some categories, for instance economic growth, they do much better than “old Europe”.

In my opinion, the common heritage of post-Soviet reality obliges the Member States from Central Eastern Europe to be a speaker for good interests of countries that stay beyond the borders of the European Union. As the geopolitical conditions are not easy in this part of Europe, the membership option is not necessary, at least in a short term perspective. Anyway, there is a choice of other instruments whose objectives is political and economic integration.

We need the strong Europe in the global world. The response to the question: should we go East can be only, without any doubts, positive.

⁸ See A. Jurkowska, *Rozszerzenie na rozdrożu – Macedonia na progu członkostwa*, „Zeszyty Naukowe Zakładu Europeistyki WSliZ”, No 1/2006, pp. 1-10.