'Eastern Europe sets out on its long march towards the Union' from Le Soir (10 December 1994)

Caption: On 10 December 1994, commenting on the Essen European Council, the Belgian daily newspaper Le Soir outlines the economic difficulties involved in the integration of some of the countries of Central and Eastern Europe (CEECs) into the European Union.

Source: Le Soir. 9-10.12.1994, n° 287; 108e année. Bruxelles: S.A. Rossel. "L'Est entame une longue marche vers l'Union", auteur:De Muelenaere, Michel; Riche, André , p. 9.

URL:
http://www.cvce.eu/obj/eastern_europe_sets_out_on_its_long_march_towards_the_union_from_le_soir_10_december_1994-en-91a21b08-021c-4b5d-9b16-3efed5d25d29.html

Last updated: 05/07/2016

Eastern Europe sets out on its long march towards the Union

Integrate Central Europe into the European Union? Easier said than done, say the experts. The politicians don't doubt it …

ESSEN,
a report by Michel De Muelenaere and André Riche

An unprecedented challenge for the European Union. That is how experts describe the rapprochement between the Fifteen and the countries of Central and Eastern Europe (Poland, Hungary, the Czech Republic, Slovakia, Bulgaria and Romania). Should we press ahead and envisage enlargement of the Union in the next few years, as requested by the Six? Some EU countries — the United Kingdom, Germany, Denmark, Sweden and Finland — think we should. The others are more cautious, or frankly reticent. And the experts are warning that this enlargement will impose reforms that are painful for both sides. It will be opposed by the sectors most seriously affected. The cost will be enormous, and it will be at best a very long haul.

First measure the gap

Preliminary estimates made by the European Commission's economic staff have put something of a brake on the rush for enlargement to the East. Their first point is that the extent and nature of the gap between the Union and its partners remain unclear. The bare figures already paint a worrying picture. But only more detailed analysis will show the impact on the Six of bringing their economies, social systems and legislation into line. It is these detailed studies — one for each country — that the Commission will tackle next year.

The first conclusion is that the countries of Central and Eastern Europe will start with a huge handicap. Their average gross domestic product is less than half that of the European Union. The largest country — Poland — barely reaches 30 % of the EU average. This situation is complicated by future unknowns. The experts admit that Eastern European countries are changing much more rapidly than was the case during previous enlargements (Greece, Spain and Portugal). But although transition is underway, the end result is still unknown — a social and economic system on European, Japanese or American lines, or an entirely new model? The ongoing development of the Union, which is taking place at an even faster rate than in the East, is a further complication: it makes enlargement a shot at a moving target. A difficult shot, especially as the Fifteen are about to embark on a further revision of their founding treaty barely two years after its entry into force, and are envisaging the creation of an economic and monetary union involving differentiation from the outset.

Figures are being put forward in Brussels. One scenario is based on the hypothesis of 'low' growth in Central Europe. On that assumption, the countries to the East, which produced the equivalent of 40 % of Community GDP in 1990, could reach 60 % … in 30 years. On a 'high' growth hypothesis, they would take 25 years to reach 75 % of Community GDP. That is a far cry from accession in the year 2000, the date which Hungary and Poland have in mind; a mythical date that would mark the thousandth anniversary of Christianity in Hungary.

Ruinous cost of catching up

Could the Union provide aid to help the candidate countries catch up? Once they have joined the club, all the Eastern European countries will qualify as Objective 1 regions and have priority access to aid from the regional funds. The Fifteen would need to spend 2 % of their GDP on this for six years in order for the East to reach 64 % of Community GDP. The impact will remain limited and will be absorbed as soon as that aid ceases. Add to that the fact that 2 % of Community GDP would double the EU budget under the impact of the regional funds alone, and it becomes obvious that this hypothesis is hardly credible. Under their 'pre-accession' strategy, the Fifteen envisage spending 5 to 7 billion ecus on accompanying the reforms in Eastern Europe.

For the time being, the Commission's estimates have yet to touch on one of the most burning issues: the dismantling of the common agricultural policy by virtue of the enlargement.

These preliminary estimates and warnings contradict the official version, which relies on good intentions. Content with marginally improving arrangements under the association agreements and instituting a new — and important — political dialogue, the document adopted almost without discussion at the Essen Summit leaves most of the vital questions open. Clearly, the subject is far from being exhausted.