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ON THE PROJECT

The future development of the European Union will be determined by two processes: the accession of eleven or even more countries, and the ongoing process of internal reform and deepening of European integration, known as Agenda 2000. Both processes are closely linked and will change the face of the Union in the 21st century.

T.E.P.S.A. – Institutes in the 15 EU-countries and the four associated partner institutes from Central and Eastern Europe initiated this semi-annual stock-taking in order to monitor the main features and problems of the accession and negotiation process as well as positions and bargaining strategies of the actors involved. A standardised questionnaire was used by all institutes. Due to the specific positions of the applicant countries, not all parts of the questionnaire were as relevant to them as to the present member states. Therefore, the country reports from the Czech Republic, Hungary, Poland and Slovenia are entirely presented in a separate section of this pilot survey.

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This survey which is the pilot issue was conducted on the basis of a questionnaire. Most institutes replied by October 1998 and cover the period till August/September 1998. The German report does not follow events after the general elections of September, 27. The (unedited) pilot issue will be soon available on the *World-Wide-Web* (<http://www.tepsa.be>).

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INTRODUCTION

Despite its growing progress and urgency the enlargement of the European Union is still regarded as a journey into the unknown. The feeling of living in an interim period prevails in the member states. Thus, the formation of interests and definition of positions and negotiating strategies, be it vis-à-vis the applicants or the other member states, are still in the making. The aim of this pilot survey is to present and interpret the ongoing domestic debates and considerations of the member states in view of both, the accession and negotiation process and the reform agenda of the EU. Moreover, colleagues from four associated T.E.P.S.A. institutes in Central and Eastern Europe (CEE) contributed to the survey.

Public opinion in the member states shows neither enthusiasm, nor open resentment towards enlargement. Most country reports leave us with the impression that the public attitude is rather lukewarm and cautious. Moreover, the latest Eurobarometer results (No. 48, March 1998) confirmed the huge amount of those who have not yet made up their minds and simply do not know what to think of the enlargement project. In some countries, like Finland and also Germany, a growing divergence between the pro-enlargement elite (policy-makers, business community, even trade unions) and a sceptic public can be seen. Contrary to this, Danish public opinion for example shows high levels of support with 61% pro and only 20% against EU-enlargement. In most member states recent polls on the general and more explicit attitudes of the public are missing. This deficit cannot be fully compensated by Eurobarometer figures, because there are no polls on the general response towards enlargement but only answers concerning the membership of individual applicants. So far, enlargement has not yet produced cleavages in the political and party spectrum in the member states. All EU-governments advocate a widening of the Union, rejecting a postponement while, however, neither setting a target date for the completion of the first round of negotiations. Some governments, like the Swedish, promote an extension of the first wave countries by making full use of the possibilities offered by the process model for negotiations as defined in Luxembourg. While Greece seems to concentrate by and large on Cyprus' accession to the EU, other member states view Cyprus as a potential stumbling block for the whole enlargement process. Not a single member state opts for a revision of the European strategy for Turkey or for rapidly including

Ankara in the accession and negotiation process of currently eleven applicants. Among the pro-active pro enlargement countries, there is none that would adopt a clear leadership role.

Overall, the Luxembourg compromise on the negotiation-scenario seems feasible. Most reports emphasise that the principle of inclusion and the chances of the applicants for catching up in the ongoing process of enlargement is particularly important for the EU-governments. This is either for reasons such as to include their "pet countries" or for reasons of principle. Thus, in order to ensure a fair treatment of the applicants as well as to balance the different preferences and considerations of the member states the EU's accession and negotiation process should be transparent and steered by objective criteria. The concrete elements that make up the enhanced pre-accession strategy are perceived as helpful, although the practicality of the conditionality arrangement is questioned. Moreover, some countries, like Denmark, criticise the modesty of the total amount or the distribution of money for pre-accession between first and second wave countries.

All EU-countries share the objective to avoid economic burdens and financial net costs from enlargement. Although some member states welcome the effect of a wider Union appearing less like a rich men's club, they fear simultaneously the challenges to the welfare state (influx of cheap labour, threat to labour markets) and an unfavourable re-distribution of a budget that will hardly grow in the near future. While farmers lobbies in the member states have instantly reacted to (and broadly rejected) the CAP reform proposals, the mobilisation of trade unions and other interest groups has been considerably slower. The rather low profile underlines that most societies in the EU perceive enlargement not yet perceived as an acute challenge. However, besides the impact on the labour markets and the competitiveness of specific branches, security issues (border control, illegal migration, organised crime etc.) receive special attention. The latter concerns increase with geographic proximity to the CEE-region.

This mixture of political concerns and small margins of budgetary growth favours a minimalist and pragmatic approach towards reforming the institutions and policies of the EU. The country reports mirror the problems to define the elements of a viable package deal. Any attempt to split the different issues of Agenda 2000 into separate chapters for negotiations seems futile. Most reports explain that the Amsterdam protocol on the institutions is regarded as a good starting point for finding a solution, while the extension of majority voting – as claimed in the Belgian-Franco-Italian declaration – or an extension of the reform subjects is not generally endorsed. As far as the financial framework is concerned almost all member states insist on securing

a sense of solidarity when pursuing a more fair distribution of payments among the member states. A "juste retour" approach is widely rejected. As expected, proposals for a rebate earn a lot of criticism. Furthermore, as far as the CAP reform is concerned, enlargement does not really challenge traditional thinking inside the EU. The preservation of the *acquis* and its short-term benefits for the old member states constitute a clear priority.

Obviously, the challenge of enlargement requires strategic thinking beyond the concrete issues on the reform agenda. These positions are, however, directed by more fundamental conceptions of the further course of integration and the chances and risks of differentiation in particular. Nonetheless, the time window for decisions on EU reform is very narrow, while the time frame for negotiations seems to extend far into the next decade. An obvious problem is to keep up the political momentum of the process in the period of protracted technical negotiations. Apparently, the member states are eager to secure the political control of the process.

When looking at the four reports from the associated T.E.P.S.A institutes in the Czech Republic, Hungary, Poland and Slovenia we get a more profound view of the whole process. Not surprisingly, the debate on the Agenda 2000 topics is less intensive. While special attention is given to the future EU cohesion policy, institutional matters seem to be a distant subject. Interestingly, a majority in these countries supports enlargement, but this support is more and more qualified as to the terms of membership and varies by social categories. As has always been the case, farmers are particularly critical and concerned with regard to the effects of membership. Competitiveness at the level of enterprises is one of the major concerns also of the business communities which increasingly have to cope with the consequences of adapting to the *acquis*. Overall, people develop a greater awareness of costs and benefits of their country's entry into the Union although the basic knowledge of the EU is still weak. Pros and cons on membership seem to parallel cleavages between modernisers and traditionalists which some academic experts also perceive as the dominant cleavage in post-communist societies. Membership casts a long shadow on the perception of political, economic and social transformation in the applicant countries, so that the hardships of adaptation and reform are easily ascribed to "Brussels" and the strive for accession.

The consensus of the ruling elites in the four applicant countries is still amazing, when considering the many changes of government and shifts between centre-right and centre-left governments, as recently occurred in Hungary (May 1998) and the Czech Republic (June 1998). Polish parties of the political right are portrayed as being particularly responsive to popular criticism of and sentiments against the EU. The four

country reports from CEE emphasise that the administrative capacities of the applicants are extremely challenged in the course of preparing for negotiations and implementing the national adaptation programmes and accession partnerships with the EU. Overall, these instruments of the enhanced pre-accession strategy are regarded as helpful.

It seems unlikely that the Vienna summit will approve an extension of negotiations to second wave countries in 1998, not in the least because it would further burden the intra-EU bargaining on the Agenda 2000. The new German government promises to fuel "new realism" into the debate and politics of enlargement. It will be interesting to follow the German presidency's initiatives and contributions to solve the knotty problems of the Agenda 2000 and reassure the applicants of Germany's continued role as an advocate of enlargement.

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MAIN EVENTS 1997/98

16/17 June 1997 European Council in Amsterdam agrees on the revision of the Treaties

15 July European Commission issues Agenda 2000 including the opinions on the applications of the ten CEEC

2 October 1997 Amsterdam Treaty signed by EU member states

12/13 December 1997 European Council in Luxembourg decides on the process model for conducting negotiations with the applicants and on the enhanced pre-accession strategy; first wave countries are: Hungary, Poland, the Czech Republic, Estonia and Slovenia plus Cyprus. The summit announces a special European strategy for Turkey.

4 March 1998 European Commission publishes pre-accession strategy for Turkey

12 March 1998 Inauguration of the European Conference: 26 Heads of State and Government and Foreign Ministers meet in London; Turkey does not accept the invitation

18 March 1998 European Commission puts for-

ward its legislative proposals for Agenda 2000

30 March 1998 Opening of the accession and negotiation process in a multilateral meeting of the 15 Foreign Ministers with the 11 applicants

31 March 1998 Start of bilateral intergovernmental talks with first wave applicants on membership

April 1998 Start of screening process with first and second wave countries on bi- or multilateral basis respectively

September 1998 First wave countries submit their position papers for negotiations

3 October 1998 European Commission publishes reports on the situation and the prospects for agriculture in the CEEC applicant countries

4 November 1998 European Commission presents its first regular reports on progress in the applicant countries; in its composite paper, the European Commission recommends not to extend negotiations to further applicants in 1998; it highlights particular progress of Latvia, so that negotiations could start at the end of 1999

9 November 1998 Council formally adopts EU negotiation positions

10 November 1998 Opening of negotiations on seven chapters with first wave countries at ministerial level

11/12 December 1998 European Council in Vienna

ANALYTICAL SURVEY BY EU-COUNTRY

A. THE ENLARGEMENT PROCESS

1. Give updated information on the general attitude of public opinion, the media, parties, and pressure groups (economic actors, business community,

trade unions, etc.) towards accession to the EU. Do cleavages transpire?

*Belgium**

Opinion of political parties

Initial remarks:

1. Coalition parties are the Christian Democrat parties and the Socialist parties.
2. To date, not all political parties have adopted position papers. Some contacts informed us that papers are forthcoming. In a number of cases papers of European experts (from the national or European Parliament) within the parties have been sent. No information was sent by the "Vlaamse Liberalen en Democraten (VLD)" – the Flemish Liberal Party, by "Ecolo" – the Francophone Green Party nor by the "Volksunie" – the Flemish Nationalist Party.
3. In general, Belgian political parties (PSC¹, CVP, PS², SP, PRL-FDF³, Agalev⁴) agree with the Belgian-Franco-Italian Declaration about the necessity of further institutional reform before the first enlargement.

"**Parti Social Chrétien (PSC)**" (the Francophone Christian Party)⁵:

- Σ The reform of the CAP proposed by the Commission is dramatic.
- Σ The global cost of the enlargement has to be supported by all citizens and not only by the farmers.
- Σ If Belgium accepts the Commission's orientation, the government has to take up responsibility and take care of the support of farmers at national level.
- Σ The PSC supports the position of the Federal Minister of Agriculture, K. Pinxten and of the Regional Minister, G. Lutgen regarding of the reform of the CAP.

"**Christelijke Volkspartij (CVP)**" (the Flemish Christian Party):

- Σ No position papers of the party on the enlargement and Agenda 2000 are available.
- Σ In general, the CVP is in favour of Deepening of the Union before Widening.

Σ As a CVP member of the Belgian Parliament, M Eyskens, Former Prime Minister, points out that the financial means of the EU are not sufficient with regard to its extended competences, especially in view of the enlargement of the Union⁶.

”Parti Socialiste (PS)” (the Francophone Socialist Party)⁷:

Σ Institutional reform has to focus on an extension of majority voting and on the co-decision procedure.

Σ Financing the enlargement and the necessary reforms should not harm the budget foreseen for social issues.

Σ As far as budgetary matters are concerned the PS is opposed to the principle of ”juste retour” and believes that the actual ceiling 1,27% of GDP should be raised in the future.

Σ On structural policy, the PS agrees with the reduction of the number of objectives from seven to three on the condition that sufficiently long transition periods will be applied for these regions which will not benefit anymore from the Community programmes. It insists on taking into account the level of unemployment and poverty.

Σ With relation to the CAP the PS agrees with the objectives of the reform proposed by the Commission. However, the Commission proposals will bring major losses of income for Walloon farmers that will only very partially be compensated by the direct aides. Also, the PS is particularly afraid of certain unclarities in the

Commission’s proposal and fears a sort of renationalisation of agriculture.

”Socialistische Partij (SP)” (the Flemish Socialist Party):

Σ No paper was sent by the SP but in general terms we were informed that the position of the SP does not differ from the one of the Belgian government and that institutional reform – prior to enlargement – is a major priority.

”Parti Réformateur et Libéral (PRL)” & ”Front Démocratique des Francophones (FDF)” (the Francophone Liberal Parties)⁸:

Σ According to the PRL-FDF members of Parliament the Amsterdam Treaty and Agenda 2000 do not prepare the Union for enlargement: the Commission has to revise its Agenda 2000 and the Heads of Government have to convene a new IGC to solve the institutional problems.

Σ The proposed reforms of the structural funds and the CAP will impoverish the economic and agricultural sectors of the Union.

Σ The proposal to start negotiations with six countries will discriminate the other candidates: the situation contains the risk of ethnic conflicts within the second group.

Σ If Europe enlarges, it has to stop its permanent temptation to get involved in too many issues.

”Agalev” (Flemish Green Party):

Σ The paper sent by Agalev is a speech of one of its members, M. Aelvoet, President of the Green Group in the European Parliament, outlining the Green Agenda with respect to enlargement⁹.

Σ The Union is not yet prepared for enlargement.

Σ The process of enlargement is too much dominated by the Union.

Σ The Greens are radically opposed to the Commission’s proposal which favours the ”first group” (this would lead to a situation were – as from 2006 – the first group would receive 170 ECU per person and the second group only 23 ECU.

Σ The financial transfers foreseen for the candidates is totally insufficient. If necessary, a raise of the financial contributions of the member states should be taken into consideration.

Σ The Greens are in favour of a radical reform of the CAP without market intervention.

”**Vlaams Blok**” (the Flemish Ultra-Nationalist Party):

Σ The documents provided by the Vlaams Blok did not specifically focus on enlargement and Agenda 2000. Relevant general remarks are: opposition against a federal Europe and in favour of a confederal Europe with focus on the Regions (and with an independent Flemish State as member of the European Union)¹⁰.

Opinion of Social Partners

1. Regional Level

Position of CESRW¹¹ (Conseil Economique et Social de la Région Wallone) (= consultative body representing Walloon employers organisations and Walloon trade unions):

Σ The paper presented by the CESRW is dealing with Agenda 2000.

Σ The enlargement and the reform of structural funds and the CAP will have a major influence on the Walloon region.

Σ The current budgetary means are insufficient to assure a successful integration of the candidate members and at the same time conduct an efficient structural policy able to resolve the social problems.

Σ The CESRW notes that certain Walloon regions will be excluded from objective 1 financing whereas problems in these regions will persist.

Σ According to the CESRW the proposed reform of the CAP is dramatic and contains the risk of a future renationalisation of the agricultural policy.

Position of VESOC (Vlaams Economisch en Sociaal Overlegcomité) (= consultative body representing Flemish employers organisations, Flemish trade unions and Flemish government):

Σ The paper presented by the VESOC is dealing in detail with the proposals concerning European structural policy for the period 2000–2006.

Σ According to the VESOC the necessary financial means must be foreseen for economic and social cohesion and for employment. In this respect the Flemish Community wishes to dispose from the outset of the total volume of financial means earmarked for the period 2000–2003. It is in

favour of a raise of the financial means foreseen in the European Social Fund. Also, withdrawal of support for regions being excluded in the future should be very gradual.

2. National Level

Position of the FEB-VBO¹² (Fédération des Entreprises Belges – Verbond van Belgische Ondernemingen) (the national employers organisation)¹³:

Σ According to the FEB-VBO the enlargement will only be successful if following two conditions are fulfilled: acceptance of the whole ”acquis communautaire” by the candidate members and establishment of the necessary institutional and administrative mechanisms to implement the acquis.

Σ The FEB-VBO proposes to UNICE (Federation of European Industries) to defend a political message based on following directions:

support of companies to the process of approximation between the Union and the CEECs

opposed to a too rapid opening of the internal market for the CEECs

in favour of rationalisation of structural funds and CAP

in favour of restriction of Union expenses.

Cleavages?

Few cleavages can be noticed. All parties seem broadly in line with the government opinion about the necessity of a further reform of the institutions before the first enlargement. Actors seem hesitant and very prudent about the proposed reform of the structural funds and calculations have been made about the losses of income for the regions. Stronger and more negative voices were raised about the proposed reform of the CAP.

Denmark

Since the fall of the Berlin Wall, there has been a dominating consensus in Danish society and political life on the *goal* of enlargement. All parties, interest groups etc. are of the opinion that the EU should be expanded to the east. Several argumentations are here put forward:

1. The Security argument:

Enlargement is basically a question of security and stability in Europe. Indeed, the Danish Government ran its Amsterdam-campaign under the heading 'peace-project'. In order to create stability in Europe, the EU has to accept the newly established democracy. Since enlargement is first and foremost about security, it is very important that enlargement is not perceived as drawing any new dividing lines, for instance between Poland and the Baltic Republics.

2. The Moral argument:

The second argument is connected to moral. After the end of the cold war, the EU is simply morally obliged to give the newly established countries a helping hand. This argument is most dominant within the Government coalition, but also within the Trade Unions (*'It is our duty to help the Central and Eastern Europeans to create societies with high social standards'*).

3. The Economic Argument:

Finally, actors argue that enlargement is 'good business'. Especially the Government, but also the Danish Confederation of Industries use this line of argumentation. Both are able to refer to the fact that Denmark has a major trade surplus with the applicant countries.

Despite the general consensus, enlargement still managed to split the yes and the no-side during the recent referendum on the Amsterdam-treaty. Quite tellingly, the parties did however not disagree on on the goal of enlargement, but whether the Amsterdam Treaty was a help or hindrance to enlargement and especially whether the enlargement which was in the cards was the *right* enlargement.

The yes-side (which party-wise was comprised of the Social Democratic Party, the Liberal Party, the Christian People's Party, the Center Democrats, the Social Liberal Party and the Conservative People's Party) argued that the Amsterdam Treaty was a *precondition* for enlargement. In order to make sure that enlargement would actually take place, the Danish public should therefore vote yes.

The no-side (the Socialist People's Party, the Danish People's Party, the Red-Green Alliance and two movements outside Parliament, the June-movement and the People's Movement against the EC-Union) argued in quite a different way. First of all they took the point of view that Amsterdam was a hindrance to enlargement, since the new Treaty had not done its

job – getting the EU's institutions ready for enlargement. In continuation hereof, especially the Socialist People's Party argued that the institutional protocol attached to the new Treaty would actually draw new border lines in Europe, seeing that it only 'made room' for the first five applicants. In order to 'help' the Central and Eastern Europeans the Danes should therefore vote no. By voting 'no' the Danes could namely force the other EU-states into re-opening the Amsterdam-deal and hence negotiate a new Treaty which actually prepared the EU's institutions for enlargement.

Second, especially, the June Movement and the People's Movement against the EC-Union took the view that the EU was preparing for the wrong enlargement. Indeed, the movement went as far as labelling enlargement as a 'power-diktat': if the applicants wanted to join the EU, they had no choice but adapting to the *acquis*. Since the present *acquis* was not at all developed for the applicant countries, but for Western Europe, this adaptation could however lead to a major social destabilisation of the applicant countries. If the EU wanted to help Central and Eastern Europe it should therefore abandon its present enlargement model and develop a completely new one. What the Movements had in mind here was actually a new EU: the present member states and the applicants could convene a conference and negotiate a new founding Treaty.

The referendum on the 28th of May produced a narrow result. 55.1% supported the Treaty, whereas 44.9% rejected it. Thorough analyses of the referendum result have still to be carried out. Hence, we are presently not able to judge how great a role the enlargement issue played for the no and the yes side. Judging from the opinion polls we can however say that enlargement is looked upon as very positive. In the run up to Amsterdam, Gallup thus made the following poll:

'Are you for or against the EU's plans concerning taking in the eastern European countries?':

For: 61%

Against: 20%

Don't know: 19%

Do you think that it should be primarily the present EU-member states or the new, eastern European member states which should shoulder

the expenses for the accession of the eastern European countries?'

The present EU-member states: 42%

The new eastern European countries: 14%

Both: 25%

Don't know: 19%

Gallup Institutet for Denmark's Radio, 30.4–5.5.1998

In total, the attitude towards enlargement is therefore very positive and no cleavages are presently apparent. It should however be said that the debate so far has been so general that one cannot exclude that conflicts will emerge in the future – once the actual problems of enlargement become clearer. A possible issue could be the worry that enlargement will lead to a major influx of cheap labour.

Finland

An extensive survey of public opinion on various EU questions was made last year. In this survey, no enthusiasm towards Eastern enlargement could be seen, not even towards Estonian EU-membership (which could have been expected, Estonia being in many ways close to Finland, not least linguistically). People were asked to answer the question of what Finland should do during its EU presidency in 1999, and twenty different alternatives were proposed, among which the task to work for EU enlargement and to work for Estonian EU membership. The result was that these two tasks ranked as the least important ones (combatting organised crime being the most important). Barely 9% regarded Estonian membership as very important, and 6% saw that the EU enlargement as a whole was very important, while, respectively, 11% and 12% thought that these questions were not important at all.

The general attitude towards enlargement is characterised as uncertain and lukewarm. Doubts have rather grown than diminished in spite of increasing information on enlargement, the applicant countries, etc. Thus, when people were asked what they saw as the likely consequences of EU enlargement to Central and Eastern Europe, the negative consequences came into the foreground. While only 20% saw that enlargement was likely to increase economic growth and wealth, 67% saw that it was likely to lead to a considerable increase of the expenditures for membership, and increasing mobility

of the working force (thus increasing working force coming to Finland from abroad). Most people also saw that enlargement would make Europe culturally richer, that it would further complicate the EU's decision-making structure, and that it would decrease the competitiveness of Finnish agriculture.

In general terms, those against the EU as a whole were also against its enlargement, as well as against its deepening. The share of the uncertain was, however, rather high (Source: *Suomi ja Euroopan tulevaisuus. Suomalaisten EU-kannanotot, syksy 1997*. Elinkeinoelämän valtuuskunta EVA, Helsinki 1997, Centre for Finnish Business and Policy Studies).

As to the *media*, it is difficult to say whether any particular attitude or cleavage in opinion towards enlargement has emerged yet.

Among the *political parties*, while there seem to be no particular cleavages inside the government, the position of the main opposition party, the Centre party (Keskusta), differs from the government's view. In the enlargement issue, the Centre party seems to give expression in particular to the *farmers'* and countryside concerns. The party has forcefully stated that the Commission's proposals of March 1998 may jeopardise Finnish agriculture and food manufacturing industry. The Centre party asserts that Finland should not support the Commission's proposal before the problems linked to agriculture have been resolved. Further, it requires that the solutions adopted be not of temporary nature, but instead made part of the CAP, and that the loss of income must be fully compensated. As to regional and structural policies, the party underlines the need to retain the measures alleviating the problems linked to sparse population, long distances and large countryside.

Source: *Keskustan puoluehallituksen kannanotto 19.3.1998: Agenda 2000 -esitys vaatii perusteellisia korjauksia* (<http://www.keskusta.fi>). (Statement by the Centre party government on March 19, 1998: Agenda 2000-proposal requires thorough rectification.)

Pressure groups: The Central Chamber of Commerce of Finland has just published (September 3, 1998) a report on the views by Finnish *business companies* on EU's Eastern enlargement. Their attitude is generally positive in principle. It is seen that a successful enlargement will result in the formation of a clear and stable market in Central and Eastern Europe; business will become less complicated, bureaucracy will

diminish and predictability will increase. However, a successful enlargement requires that several conditions are met, and that progress is made in attaining these objectives already during the negotiations.

These conditions are:

- 1) that the applicant countries adopt the EU internal market regulations (abolishing barriers to trade and without discrimination), including the harmonisation of custom procedures, standards, bookkeeping, etc.
- 2) that intermediate aims should be set and monitored
- 3) that post-enlargement market disturbances are avoided; doubts are expressed about transition periods possibly causing distortions (e.g., no products not matching environmental standards should be allowed to enter the internal market)
- 4) free and open competition, only temporary state subsidies allowed (transparency is underlined here), and the fulfilment as early as possible of the EMU criteria
- 5) the EU's pre-accession aid or supporting measures for preparing the candidates for membership has to be focused to improve business conditions in a neutral way, without distorting competition; in particular, investing in the training of civil servants working with the business community, e.g., customs or tax administration, and in improving the functioning of the administration in general.

The business community does not seem to see any problems if the period of negotiations turns out to be long. Rather, they seem to think that the negotiations should take time: this would not only allow more time for adaptation for the candidate countries, but also more time for the Finnish firms to establish themselves in these countries, thereby achieving certain economic gains—as it is easier to establish before these countries' EU membership (Source: *Suomalaisten yritysten näkemyksiä EU:n itälaajentumisesta*. Keskuskauppa-kamari 1998, Central Chamber of Commerce of Finland: Views of Finnish enterprises on EU's Eastern Enlargement).

France

Public opinion cursorily seems rather unconcerned by the enlargement of the European Union which it probably views as far remote. In fact, to the best of our

knowledge, no French polling institute has investigated the issue over recent months. Indeed, in an interview, an advisor to the President of the Republic, Jacques Chirac, admitted that she had many opinion polls on the single currency issue at her disposal but that she did not really know how the population felt about the enlargement question. While a study, conducted by the Commission in 1997 and published in the Eurobarometer bulletin, confirms that Western Europeans find it difficult to express an opinion on enlargement proposals, it also evidences that the French are not the most irresolute¹⁴. They nevertheless seem to view enlargement in a more negative manner than the average European Union citizen: For each of the eleven applicant countries, the percentage of French people who state they are "not in favour of its becoming a member of the European Union in the future" is always higher than that of people who declare being "in favour" of its joining¹⁵. If we compare these results with the only opinion poll on the issue we found in France, conducted by SOFRES in March 1995, it appears that as the prospect get closer enlargement is viewed less and less favourably: In 1995, there were almost an equal proportion of French people supporting and opposing the joining of Central and Eastern European countries¹⁶. A comparison between the two surveys conducted by the Commission, respectively in spring and autumn 1997, confirms this trend, which in fact prevails throughout the European Union¹⁷. The March 1995 poll also indicates that left-wing parties supporters are more favourable to enlargement than supporters of the right. As there have not yet been clearly identified issues, it would therefore be wise to consider these as opinions "in the making" which, as such, may evolve¹⁸.

The attitude of public opinion is not disconnected from the behaviour of other participants in French society. While the media provide coverage of the landmarks of the enlargement process, they do not give it in-depth consideration, nor do they offer a forum for debate on these issues.

Admittedly, at present, there is no genuine political debate, in so far as all the political parties declare being in favour of the principle of enlargement of the European Union¹⁹. On the left, this applies to the Socialist Party (PS), the party of the now Prime Minister, Lionel Jospin²⁰. The Communist party, also in government and traditionally opposed to European construction (it stood against the Maastricht Treaty), is not against the enlargement of the European Union either²¹. The Green party, the third component of the

”plural majority”, also consider that the Union should ”be opened to all the democratic European states that wish to join it”²². On the right, the enlargement theme is not a controversial issue either. The centre-right parties, federated into the UDF (Union pour la Démocratie Française), are scheduled to meet in the near future in order to update their position on European issues. It can already be anticipated that these parties, for whom supporting European construction is a cementing element, will take a favourable stand on enlargement, on the condition, however, that prior to it, institutional reforms are made²³. As for the RPR (Rassemblement pour la République), the party of the President of the Republic, previously divided over the referendum organized for ratifying the Maastricht Treaty, it is unanimously favourable to enlargement²⁴. Philippe Seguin, who had taken the lead, on the right, of the opposition to the Maastricht Treaty and who is currently the President of the RPR, is not reluctant to say that we should ”accept in an open, generous but responsible manner the joining of new partners and thereby put an end to the division of our continent”²⁵. Admittedly, the movement emblematic figure, General de Gaulle, had in the past taken a stand in favour of a Europe that should stretch, according to a now famous phrase, ”from the Atlantic to the Urals”.

Last, the enlargement prospect does not seem to mobilize pressure groups. The main employers’ organization, the CNPF (Conseil National du Patronat Français), has obviously no set position on the matter. Its 1997 document *Pour un élargissement ordonné de l’Union européenne*, is no longer a fair indication of the organization’s views and its update is apparently not on the agenda²⁶. This attitude can probably be explained by two elements. On the one hand, the implementation of the Europe association agreements signed with Central and Eastern European countries has already brought about the unhindered entry of industrial products in the single market and resulted in an increasing positive trade surplus for France. On the other hand, as France has no common border with any applicant country, the fears raised by the presence of a low-cost labour force in these countries (de-localizations, inflow of workers) are less vivid than in other member States. Even the farmers, who are most aware of Community issues and often vocal in defending the benefits they derive from the Common Agricultural Policy (CAP), do not really seem worried. The main farming union, the FNSEA (Fédération Nationale des Syndicats d’Exploitants Agricoles) is

not adverse to the entry of Central and Eastern European countries, even though with a number of prerequisites²⁷. And yet, farmers are still protected by the Europe agreements which, for agriculture, entail a mere liberalization of trade and not free trade. Two elements may account for their attitude. On the one hand, it would seem that after much dreading the competitive edge of their Central Europe counterparts, French farmers have realized that there were organizational problems throughout the agricultural sector. The present day trend towards closer price levels for some products in both parts of Europe contributes to soothe them. On the other hand, as we shall see in section B, farmers are mobilized on issues closer at hand, in particular the CAP reform proposals which are being debated.

In fact, the question of the enlargement of the European Union does not appear as a major challenge to the main partners of French society. There may be two reasons for this. On the one hand, we have been, until recently, going through an interim period: the actual principle of the entry of new European countries was generally accepted but the practical conditions of this enlargement were not really known. With the start of real discussions under Agenda 2000 and the opening of actual negotiations with applicant countries, things may change. On the other hand, the precedent of Spain joining the European Community has finally proved beneficial to the French economy.

Germany

Public opinion & media

Public opinion in Germany is dominated by domestic politics, particularly the federal elections and the subsequent establishment of the new federal government. In consequence this means, that there are no polls on the enlargement topic (all private institutes focus on the election). After the decision of the Brussels summit on the ECB EU-policy questions are no major topics in the media which focus on the election campaigns. This is even more the case for the enlargement topic, whereas the agenda 2000 questions are ranked a little bit higher on the agenda of the parties and consequently of the media. However, only some single reports or interviews concentrate on agenda 2000 topics.

The latest Eurobarometer is hence the single source of polls. It shows a decline of public support for eastward enlargement of CEECs (except Estonia) in

German public, which foreign minister Klaus Kinkel explained with the fear of high financial transfers to eastern Europe. This opinion is backed by a huge majority of 60% of German public opinion expecting additional costs from enlargement. The German public opinion never showed a strong commitment for enlargement. A poll by the Institut für Demoskopie, Allensbach from July/August 1994 showed a light scepticism with regard to enlargement. Just 38% of the asked Germans have been in favour for a quick enlargement and 44% said enlargement should take place after the candidate countries were politically and economically stabilised and well developed (cf. Jahrbuch der Europäischen Integration 1994/95, pp. 273/274).

Comparing the German's support for EU membership of specific candidate countries, a question of Eurobarometer in spring 1996 (No. 45) and fall 1997 (No. 48), one can recognise that the rejection for enlargement declined for all candidates, except Cyprus. Only one accession candidate received still a positive mark in 1997. Hungary is the single candidate favoured by German public to becoming member of the European Union (pro 49%, con 31%) This means ten candidates including Cyprus are rejected; from all candidates Romania received the highest net rejection (-41) and looking at the first row aspirants Poland received a net rejection rate of -21 (Eurobarometer, No. 48, March 1998, Table 4.4).

For German public opinion the comparison of East and West German's is still of interest. There is still a huge gap between East and West Germans. The West German public is even more sceptic with regard to enlargement than the East Germans, who are in favour for four candidates to become EU members (Czech Republic, Slovakia, Hungary and Cyprus).

Federal Government and Parties

The federal government perceives itself as an advocate of the candidate countries, trying to assist their attempts to join the club. Chancellor Kohl is cited with the words, that in case of an open voting in the Union the majority certainly would have rejected eastward enlargement. Without Germany having played this pro-enlargement role and taking the lead, the accession process would not have been started yet (FR, 12.12.1997).

Moreover, the Bundesrat, the chamber of the German Länder, stressed in its recent decision regarding

enlargement and agenda 2000 from June 1998 that the momentum of the enlargement process should be preserved and include all eleven candidates.

Eastward enlargement is an objective of all political parties and interest groups; all subscribe to the historical chance and the necessity of eastward enlargement. All parties represented in the Bundestag support the accession of the CEECs to the European Union (which is not the case for NATO-enlargement), which has been underlined by the parts on European policy in the election platforms of the parties. However, discrepancies emerged in 1997 with regard to operational questions of eastward enlargement, such as the enlargement scenario, the intensified pre-accession strategy etc. The Liberals, not in harmony with their foreign minister, argued for the starting line model, as did the Greens. The CDU/CSU and the SPD opted for a process model.

Interest Groups

Moreover, the interest groups of the German economy such as the Deutsche Industrie und Handelstag (DIHT – Chambers of Commerce), the Bundesverband der Deutschen Industrie (BDI – Industrial Interest Group) and the Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA – Employer's Association) as well as the Deutsche Gewerkschaftsbund (DGB – Trade Unions Association) are basically in favour of enlargement. In the run up to the Luxembourg summit BDI and BDA published a joint position paper, the DIHT issued a comprehensive paper on enlargement and agenda 2000 and the DGB distributed a working paper in May 1998 supporting enlargement and the Commission's approach to start negotiation with five out of ten. Despite rejecting agenda 2000 the agricultural lobby (Deutscher Bauernverband – DBV) is basically in favour of eastward enlargement. However, enlargement should respect the differences of the applicant states and long transition periods would be likely to adapt the agricultural sector in CEE to EU standards (VWD Europa, 1.4.1998).

Greece

Public opinion – and the press – have an ambivalent stance with regard to enlargement. Support to rapid negotiations for Cyprus' accession (but also to fast-track participation for Balkan candidates) is difficult to combine with a general apprehension as to the financial consequences of enlargement (mainly in respect to expected Structural Funds financing once

the Delors II-package is over). The business community generally favours enlargement, but in a rather unfocussed way. The political system is mainly expecting to use enlargement as leverage for the web of Greece-Turkey-Cyprus relations. More distantly, enlargement is considered as a threat to the cohesion of the Union, but also as a help to dilute the "rich club" image that the EU has been increasingly acquiring.

Ireland

There has been little debate on enlargement in the media or in parliament. So far, it is discussed on the occasion of summit meetings and appear to be treated by the as no immediate of direct impact at this stage. Nonetheless, there exists a broad consensus in favour of enlargement. A major study of *European Union: Integration and Enlargement* (1996), produced by the National Economic and Social Council which comprises of representative of business, agriculture, trade unions and key government departments, found that the direct effects on Ireland will be limited - improved market access will provide new market opportunities for goods and services while costs can be expected in traditional sectors of textiles, clothing, steel and engineering. On agriculture, it found that CAP reform and the next round of WTO negotiations are likely to be of greater significance to Ireland. This position is supported by the main farmers organisation, the IFA (Irish Farmers Association). While lower costs in Central and East European countries are expected to affect inward investment in certain sectors, the report anticipated little diversion of existing investment. The indirect effects of enlargement may be felt in areas in which EU policies of central interest to Ireland are reformed i.e. cohesion policy, the CAP and EU institutions. The Irish Business and Employers Federation (IBEC) in 1996 broadly welcomed enlargement in a lengthy policy statement on the issue. It is seen to provide small but important investment and export opportunities. In general, trade unions do not see enlargement as a central concern.

There has been little open discussion of enlargement amongst political parties but parliamentary debates indicate a broad consensus in favour of government policy (which has been consistently in favour of enlargement despite changes in the composition of government in the 1990s).²⁸ In its White Paper on Foreign Policy (1996)²⁹ the government welcomed enlargement and considered that it should taken place in the context of deepening integration and

maintaining the Union's central policies. Key Irish concerns were identified in statements that enlargement should not prejudice a) the unique supranational character of the Union; b) existing cohesion policies for the member states, and c) the principle of common financing of the CAP (accession of the candidate states to the CAP should be gradual).³⁰ Enlargement is seen as an historic opportunity to unite Europe and a moral imperative. Successive governments have nonetheless indicated a strong resolve to defend Irish interests in accession negotiations.

Eurobarometer survey No. 49 (1998) shows that support for each of the six candidates has increased since 1997 but found that average support for enlargement, at 44% is equivalent to the EU average. The number of 'don't knows' is the highest in the Union, 36% of respondents, and would appear to reflect the lack of debate and information on the matter in the public domain.

Portugal

The Portuguese debate on European issues in 1998 focused on two main questions: Portugal's participation in the euro, and the possibility of a referendum to ratify the Amsterdam Treaty. Public opinion overwhelmingly favours participation in the euro as do the political parties, with the single exception of the Communist Party. The decision to hold a referendum to ratify the Amsterdam Treaty was taken well before the end of the IGC and it is the outcome of a political agreement between the two major parties, the Socialists and the Social-Democrats. The referendum was scheduled to take place on 8 November but the Constitutional Court decided in July that a referendum regarding the Amsterdam Treaty is unconstitutional and so there will be a parliamentary ratification of the Treaty in November. Aside from these two issues, the dynamics of internal politics, namely the process of creating administrative regions, completely overshadowed European questions.

As far as enlargement is concerned, there are no relevant cleavages, and not much debate either. The government has been constantly affirming support for the enlargement of the Union. Thus far, attention has focused on the Agenda 2000 proposals, especially on the financial framework for 2000–2006 and on the reform of the CAP. Generally speaking, the main concern shared by the government, the main political

parties, business sectors and trade unions, is the possibility of losing structural funds, not so much as a result of enlargement and more because of the reluctance of some Member States to increase the Union's budget.

Spain

Although enlargement of the European Union is not a salient issue for the public opinion, 54% of the population support enlargement and has been doing it since 1992 in similar proportions, with only 20% against, but with 26% of the Spaniards not answering the question (Polls by INCIPE, a Spanish Institute of International Relations). Regarding media, parties and pressure groups, no one is against enlargement and they share in general the supportive attitude of the population.

Sweden

A future enlargement of the EU with perhaps more than ten new member states enjoys a broad support in Sweden, so this project has not been debated to the same extent as for example the EMU or the consequences of the Amsterdam treaty. However, Sweden has been a EU member for about four years now, and a large portion of the Swedes still seem to prefer to debate whether the country should be a member or not, rather than look ahead and discuss the future development of the EU.

One of the main arguments from those who before 1995 were campaigning against a Swedish membership – and still want Sweden to leave EU – was that the EU was just limited to a (richer) part of Europe. Consequently, today they do not oppose an enlargement, but they are stressing "the importance that it has to be the citizens in the candidate countries who decide about an EU entry. It would be very unfortunate if the countries were to be, more or less, forced into the EU by their governments" (statement from the Green Party, Miljöpartiet, 1/9/98). The most positive consequence with an enlargement, according to the statement, "would probably be that it will require a more decentralized EU; the present development in a federalistic direction would hopefully come to a halt. The greatest risk with an enlargement could be if France and Germany carry out their idea in organizing the EU with the purpose of giving a small nucleus of states the real power".

The pro-EU Swedes, who are less than half of the population, is welcoming a number of new

democracies into the EU, and underline what in means to peace, economic development and political stability. There is an understanding that the accession of the new states will not be without difficulties: "the greatest problem is the transition of the old planning economies into well functioning market economies, ruled by law, and to create efficient decision making procedures and working conditions in an enlarged union. The most difficult areas in the negotiations will be the free movement of labour and the CAP" (statement by the Federation of Swedish Industries, Industriförbundet, 2/9/98).

The consequences of the enlargement of the EU were studied in 1997 in seven expert reports from the government. The report which caused most debate was the one dealing with the free movement of labour. The report stated that, since the Swedish labour market is well regulated, there will not be a great influx of labour from the new members. But if the labour market were to be deregulated, large number of unemployed job-seekers may come to Sweden, with a risk for social problems. Such an immigration could result in lower salaries to the Swedish labour force. The report concludes that it is of great importance that the candidate countries ratify the Social Charter at an early stage and are given support to build up institutions for their labour markets (Official report SOU 1997: 153).

The report dealing with the "third pillar" domain points to the widespread problems of illegal immigration and organised crime in all parts of Europe, and corruption and imperfect judicial systems in the candidate countries. The conclusion is that the new countries may not become members "until several years into the next century" (Official report SOU 1997: 159). Prior to the Luxembourg European Council there was some strong criticism in the media about the fact that Sweden (and Denmark) were advocating a common start of negotiations for all candidate countries. Fears was expressed that this policy line could jeopardize the chances for Estonia to become one in the first wave. After the summit some comments in the media had a new tone: "An interesting principle is that the first wave could also comprise countries which are catching up with the six states on the starting line. This, which can happen without a new summit decision, would not have been made possible without the struggle carried out by Denmark and Sweden" (editorial, Dagens Nyheter 15/12/97).

Even if there is, in practice, a consensus about the enlargement as such, there is some serious media criticism about the government's strategy, or "lack of strategy".

United Kingdom

Public Opinion.

The issue of enlargement has not ranked high in British public debate. Available polling evidence is indirect at best. While Europe was mentioned as the most salient matter facing Britain today, this was primarily due to the debate on the Single Currency rather than enlargement.³¹ With the caveat of low issue-salience in mind, comparative evidence is available from Eurobarometer. The results indicate that in the British case no candidates seem to be particularly disliked. Only two accession candidates, Slovakia and Slovenia, had the balance of public opinion slightly against their becoming members of the EU, and they are also the candidates with particularly high rates of 'don't knows'. Clearly, few British people know where these countries are.

Membership of all other candidates was favoured. Cyprus and Poland, with a net approval of 25% and 24% came out as the front-runners. These figures stand in stark contrast to Britain's partners. In France public opinion was opposed to all candidates, the German public made an exception only in the case of Hungary.³² The British public can hence be described as rather sympathetic towards EU enlargement, though giving sparse attention to the issue.

Somewhat at odds with the backing given to the idea of enlargement is the special patronage still granted the farming sector. 52% of the British public were found to hold that 'protecting the interests of European Union farmers against those of non-European Union farmers' should be a priority of EU policy-making, against 28% rejecting this. However, if compared to French public opinion, with 80% in favour of discriminatory EU policy, British sentiments are less ardent. When asked whether reducing subsidies to farmers should be given policy-priority, a net 1% of British nationals actually supported reductions in subsidies, while a net 34% of Germans and a net 30% of French were opposed to cuts.³³ Thus, while being fairly protective of the interests of national farmers, Britain at the same time appears to be more cost-conscious than her neighbours.

Media

Much of the coverage enlargement has enjoyed in the media reflected this sensitivity towards the costs of enlargement. The Euro-sceptical *Times* takes a pragmatic view in favour of enlargement. It warns that only a flexible approach to the entrance criteria will allow new members to take advantage of joining the EU. To impose the full *acquis communautaire*, including the Maastricht financial discipline, would stunt their growth and unnecessarily prolong the time needed to catch up with the economies of mature EU members. In order to allow for this flexibility, *The Times* calls for rapid internal reform. The paper turns to the CAP as the main culprit, claiming that 'even without enlargement, the CAP has become indefensible'.³⁴

The Daily Telegraph backs the Tory party's new leadership in their fight against a federal Europe in general and the single currency in particular. The paper demands a strong Ministry of Agriculture since 'the UK has to be able to punch its weight in Europe at ministerial level – especially as the UK is one of only three of four countries seriously engaged in trying to reform the CAP'.³⁵ In spite of more sinister anti-EU overtones, *The Daily Telegraph* similarly engages in pragmatic criticism, aimed at a reformed EU, ready for enlargement.

Britain's newspaper with the highest circulation is a tabloid titled *The Sun*. Since the last general election it has been generally supportive of Britain's governing Labour party. It takes, however, a hostile stance on the issue of European Union. On 24 June *The Sun* launched a campaign against Britain joining the euro, asking whether Tony Blair was 'the most dangerous man in Britain' because of his pro-European leanings.³⁶ 'The result could be disastrous for this country. That is why *The Sun* has vowed to fight it all the way', the newspaper exclaimed. A telephone poll conducted by the tabloid showed 31,345 readers to reject the single currency against only 1,528 supportive.³⁷ While this contradicts nation-wide opinion polls it certainly reflects on the general attitude of *The Sun's* readership towards Europe. The European Union is here depicted as leading to a 'Superstate' – a threat to Britain's independence; enlargement represents merely another unwelcome step towards an even larger federal Europe.

The Financial Times, *Independent* and *Guardian* are pro-European, pro-enlargement newspapers.

Political Parties

Labour's outlook has become increasingly pro-European during the so-called Blair revolution. Recent evidence of this is to be found in the cabinet reshuffle. New ministerial appointees, dubbed the prime minister's 'Euro Army' by *The Sun*, include former MEP Joyce Quin as Minister for Europe in the Foreign Office, Peter Mandelson as Secretary of State for Trade and Industry and the multi-millionaire grocer and pro-EMU campaigner Lord Sainsbury, as junior Trade Minister. Jack Cunningham, the pro-European farm minister was moved to a central, trouble-shooting role in the Cabinet Office.

The official Conservative party is in favour of enlargement because they see it as a way of halting the federalist drift of the existing EU.

In contrast, the Liberal Democrats would like to see a strengthened European Union, and warn against a facile enlargement which would endanger the *acquis communautaire*.

Pressure Groups

For the Confederation of British Industry (CBI), enlargement is a key objective. The Single Market has proved effective in improving British competitiveness and has widened the market for British goods. It is with this in mind that the CBI has urged the government to pursue further enlargement of the Union. In order to prepare the Union for Enlargement, the CBI suggests radical reform of EU institutions, the Common Agricultural Policy and structural funds, as well as more vigorous help to applicant countries.³⁸

With a greater focus on the social dimension, the Trades Union Congress (TUC) also endorses the accession of new members to the Union. The TUC stresses the importance of revised structural funds to ensure that sufficient resources are available to achieve economic development and social cohesion throughout the enlarged Union, while maintaining the status of current UK recipient regions. New members will thus be able to enjoy similar social benefits as workers in the current Union.

2. Give information on your government's priorities, interests and areas of specific concern in the course of accession negotiations. Do position papers of some actors exist?

Belgium

The Flemish, the Walloon and the Brussels Regions have already adopted positions concerning the negotiations and Agenda 2000. These positions were very cautious, but not extremely precise regarding agriculture: there is some fear concerning the reduction of prices, and consequently a wish to obtain compensations. Positions were more contrasted concerning the structural funds: the Flemish government insists on limiting some blatant competition distortions; the Walloon government puts its emphasis on the need of a substantial "phasing out" procedure; the Brussels government emphasises the need of measures concerning poverty and urban zones.

Some aspects of the negotiations and Agenda 2000 have already been discussed inside the Belgian government. Yet, to date, the Belgian government as such has not presented an official document as such. Position papers exist from:

- Walloon government
- Flemish government
- Brussels government
- Ministry of Agriculture

Denmark³⁹

The Danish Government has not yet produced any position papers on the various issue-areas of the accession negotiations. Such papers will only be prepared after the actual negotiations have started. In practice, the Danish Government will take its point of departure in the position papers of the applicants and papers prepared by the Presidency.

Presently, Denmark does not have any specific concerns regarding the actual accession negotiations (see however below). What the Government focuses on is how the EU can maintain the momentum in the enlargement process according to the strategy decided at the European Council in Luxembourg. Here, the core priority of the Government is identical with the one of the Austrian Presidency: the actual, concrete enlargement negotiations – on those chapters which have already been screened – should be opened in the fall 1998. This opening will in itself have a symbolic value – and hence contribute to maintaining the momentum. It is, however, also useful for the applicant countries in the sense that they can make the case to their domestic audience that 'enlargement is moving forward'.

A key concern to Denmark is connected to the calendar. If the budget negotiations are not finalized before the elections to the European Parliament there is a risk that enlargement will be postponed.

Finland

General impressions

Basing the assessment on the available information, it seems that the Finnish government's priorities are, first, that enlargement will factually take place (other goals being relatively less important) while ascertaining that the new member countries fulfill the membership criteria, and, second, that the enlargement process be understood as an ongoing process, that is, that the Union should 'keep its doors open' (to all eleven applicants and perhaps even further members) and maintain good relations with third countries. The government's special concerns are related foremostly to regional and agricultural policies; combatting drug trafficking and organised crime are also mentioned among Finnish priorities (these latter ones in *Agenda 2000*; *VpJ 54 e §:n mukainen selvitys eduskunnalle 10.10.1997* [Government report on Agenda 2000 to the Parliament, October 10, 1997]).b) A first academic analysis:

A first academic analysis

Dr. Olli Rehn writes in his book on Finnish EU presidency about the Finnish aims concerning EU enlargement. The first priority is, in his view, enlargement and controlled deepening, but not deepening as a precondition for enlargement. Other priorities are having Estonia in the first group of countries, maintaining the 1,27% ceiling for the period of 2000–2006 and even after, securing the structural funds for Eastern and Northern parts of Finland, and securing a reasonable profitability of cereals and oil plants production in Finland (Source: Rehn, Olli (1998) *Suomen EU-puheenjohtajuuden eurooppalaiset haasteet*. Valtiovarainministeriö, Helsinki).

Quotes from available documents

The government supports the EU enlargement, which requires that the functioning and financing of the Union are secured. The Commission proposals of March 1998 go largely in the right direction, even though they also involve some problematic elements. The government urges an all-encompassing and prompt solution to these problems as soon as possible.

According to the government, enlargement furthers stability, security and well-being of the whole continent. It is important that the Union be open to all European countries that fulfill the membership criteria. The applicant countries have to be treated equally and assessed according to the same objective criteria. Finland supports the assistance to meet the required qualifications as proposed by the Commission. It is important that the different forms of support (ISPA, pre-FEOGA and PHARE) are organised in an efficient way and avoiding overlaps. In according such support, the applicant countries' capacity to receive such support and the possibilities of using these countries' own resources have to be taken into account (Source: *Agenda 2000. VpJ 54 e §:n mukainen selvitys eduskunnalle 27.3.1998*, Government report to the Parliament on Agenda 2000, March 27, 1998).

In the Luxembourg European Council meeting, it was decided to start negotiations with Poland, Hungary, the Czech republic, Estonia, Slovenia and Cyprus, and to work for preparation of negotiations with the other applicant countries, as well as to organise a European Conference composed of EU member states, applicant countries and the Commission. In Finland's view, to secure an effective progress of the enlargement process, it is best that negotiations are started with those countries which can be realistically assumed to fulfill the membership criteria in a medium term. The process can involve further countries as soon as they fulfill this requirement. Regular contacts between the applicant countries and the Union are important.

Source: *Agenda 2000. Suomi ja Agenda 2000 – EU mittavien uudistusten edessä*. (Basic information on Agenda 2000 by the Finnish Ministry for Foreign Affairs, EU secretariat.)

Finland sees that the Union has to support vigorously all applicant countries' possibilities to qualify for membership. The European Conference is one form of the necessary regular contacts between the Union and the applicant countries.

Commenting on the Commission's views on the Union in the world, Finland sees that one has to pay sufficient attention to the dialogue with the United States and the implementation of that dialogue. Developing further the Union's Mediterranean policies is important. Russia's WTO membership is worth specific attention. In addition, Finland wants to stress the development of the Northern dimension of the Union as a part of the Union's external relations.

As to the external relations, thus, Finnish priorities are relations with Russia, development of the Northern dimension, and active transatlantic relations (Source: *Agenda 2000; VpJ 54 e §:n mukainen selvitys eduskunnalle 10.10.1997*, Government report on Agenda 2000 to the Parliament, October 10, 1997.)

Europe has to remain an open and cooperative continent in its outward relations. Finland supports the membership of the Baltic and Central European states taking into account factors linked to societal and economic development and will make "every effort to focus the political interest and resources of the EU on supporting the Baltic states and developing the area", as well as widening treaty-based relations to Russia, in order also to commit Russia to comprehensive security (Source: *The European Security Development and Finnish Defence. Report by the Council of State to Parliament on 17 March 1997*).

In a speech in Helsinki on October 9, 1997, Prime Minister Lipponen said that the Union has to enlarge: enlargement means promotion of democracy, respect for human rights, peace and stability, *Rechtsstaat* principles, market economy and well-being. Finland supports all the Baltic countries in this process. Estonia's position in the first group of countries may help the other Baltic countries. He also stressed that no applicant country may be left out of the enlargement process. (Available at <http://www.vn.fi/>)

France

The government seems mainly concerned that enlargement should not generate a loosening of Community integration. It therefore insists on the necessity of a preliminary reforming of Community institutions and of securing the continuation of common policies, in particular the CAP by which France benefits most. As is their custom, the French set themselves as the "custodians" of the Community. Back in 1995, a study on the enlargement of the European Union to Central and Eastern European countries conducted within the administrative structure in charge of co-ordinating the French position on Community matters, the SGCI (Secrétariat Général du Comité Interministériel), had already reached similar conclusions. The French officials involved agreed on the suitability of such an enlargement on the condition the European Union should first adapt its institutions, its common policies and that it should not mean turning Europe into a mere free-trade area.

As regards the details of the negotiation, various interviews with political and administrative French officials seem to indicate that they have chosen to wait for the negotiating platforms of applicant countries with regard to the adoption of the *acquis communautaire*, before they give an official position. So far, there have not been, to the best of our knowledge, position papers as such.

In the agriculture sector, a number of actions have nevertheless been taken in anticipation of the negotiations—which is revealing of the special interest France has in farming questions⁴⁰. Various co-operations (exchange of experts, deposit of numerous "jumelage" projects to the Commission, appointment of officers for agriculture in the Embassies of central Europe) have as an objective to let applicant countries know the demands and advantages of the CAP and to prepare them to adopt the *acquis communautaire* in the farming sector. France is thereby concerned that the enlargement should not bring about drastic re-appraisal of the CAP, not only for reasons of the cost of its extension but also due to the countries' reluctance or inability to take over the *acquis* in this field⁴¹.

Germany

There exists at the moment no official position papers of the federal government. Official German position papers can be expected after the candidates have submitted their papers to the Commission and the Council (scheduled for end of September) and likely after the Commission have drafted the common positions for the negotiations to be opened officially in November. However, key priorities can be deduced from official statements of politicians on the subject.

The overall German interest in Eastward enlargement is still a political. Stability and security interests are dominating German decision and policy making. Economic interests are, however, increasing. Germany dominates with about 50% the EU foreign trade with CEECs and German firms invested particularly in the Visegrad countries. Nevertheless, as biggest EU member state benefiting from political integration and the Internal market in particular Germany is interested to find a relaxation of deepening and widening.

The specific interests and priorities for accession negotiations are hence to keep the process running, to come to a convincing conclusion of the negotiations, which shall maintain the pressure to further reform and transformation processes in CEEC on the one

hand and to secure the coherence and the dynamics of European integration on the other.

Three main points emerged: (1) the question of free movement of workers and migration; (2) the fight against organised crime and securing the new eastern border of the union; (3) full adoption and implementation of the *acquis communautaire*.

(1) The ruling coalition and the opposition share the position that eastward enlargement should not lead to mass immigration from central Europe. There are some models calculating that the potential for immigration could reach until the year 2030 340.000 up to 1.180.000 migrants annually. The ministry for labour and social affairs calculated some 340.000 to 680.000 persons annually searching for jobs on the German labour markets. Already in September 1997 the German ministry for labour and social affairs claimed as reaction to the Commission's opinions very long transition periods before movement of persons should be fully liberalised; the federal government adopted a common position that long transition periods will be necessary, without specifying the length.

The CDU/CSU requested for recognizable long transition periods as in the case of accession of Spain and Portugal, that means longer than seven years (CDU/CSU parliamentary group paper on eastward enlargement, dated 7 July 1998). The Social Democrats adopted during their party convention in December 1997 a program which states that long transition periods will be indispensable. Several speakers of the SPD, such as the speaker of the parliamentary group for European policy Heidemarie Wieczorek-Zeul and the party's foreign policy speaker Günter Verheugen said that a future SPD-led government will seek lengthy transition periods for free movement of workers from new CEEC-members (FT, 2 June 1998 and VWD Europa 31 July 1998). The Bavarian CSU, member of the coalition government in Bonn, is the only party that indicated a clear time horizon for the transition period in this question. A position paper from July 1998 states that free movement of workers should not be granted before the year 2015.

(2) To fight organised crime and to protect the new eastern border of the EU is of high priority for the federal government. The adoption of the *acquis* on justicial and domestic policy affairs is a pre-

condition of enlargement for the federal government (VWD Europa, 29.5.1998). Harmonisation of visa, asylum and migration laws of Germany's eastern neighbours with EU-standards is crucial. As the German minister for domestic affairs, Mr Manfred Kanther, stated during his recent visit in Poland accession to the EU will only become reality after having introduced the EU visa regulation for eastern neighbours (esp. Russia and Ukraine) (FAZ, 20.8.1998 and 22.8.1998).

(3) Germany will claim in accession negotiations to strictly implementing of the comprehensive *acquis communautaire*. EU standards will not placed for disposal of negotiations. For example the federal ministry for agriculture sticks on high European quality standards for food and long transition periods in this field, which could extend up to ten years. Moreover, German industrial lobby groups demanded to stand firm during the bilateral accession negotiations, that the applicants should subscribe to adapt to the comprehensive *acquis communautaire* and to implement the community regulations consequently.

The DGB (trade union) claims a social dimension of the enlargement process. The bilateral accession negotiations should include also social elements besides economics. The applicants with assistance of the Union should try to establish a functioning civil society including independent interest groups and unions as well as functioning social security networks which are seen as an important precondition for successful transformation (VWD Europa 25.6.188).

Greece

The one clear and unequivocal priority of Greece in the enlargement process of the EU has to do with the Cyprus accession. Both the political system and public opinion consider there exists a steadfast – if not legally binding – commitment of Greece's partners in the EU at the Luxembourg Summit to proceed with accession negotiations (at Least) with Cyprus and not to have the process blocked if the Cyprus issue (i.e. the rift between the Greek and Turkish community in the island, which is frozen since 1974 at the situation created after the Turkish army occupation of the northern part) has not found a solution. The position expressed by the European Commission Vice-President Hans van den Broeck and successive Council Presidencies to the effect that a solution to the Cyprus

issue constitutes no condition precedent for a Cyprus accession however great importance the EU gives to such a solution being reached, is the position considered in Greece the only acceptable one; positions like the recent French or Italian one that demand that progress toward a solution to be reached within a given period of time, for accession negotiations with Cyprus to proceed to a successful end, are considered utterly unacceptable. Greek Foreign Minister Pangalos and Under-Secretary Kranidotis have been hinting at Greece would block the whole enlargement process if Cyprus' accession would be impeded.

It is only as a distant second priority that one may mention Greece's interest that Southern East European candidates – Bulgaria and Romania – be kept fully integrated in the enlargement process.

Portugal

As noted above, attention is still concentrated on the financial framework and the reform of the CAP. More concrete positions on specific areas of accession negotiations should emerge as the process gathers force. To date, the government has emphasised that enlargement is not negative for Portugal. As far as industrial products are concerned, the European market is already quite open to Central and Eastern European products, without causing major problems for Portuguese exports. As for agriculture side, enlargement will affect mostly countries, with similar agriculture structures as the, other than Portugal.

Spain

Spain is in favour of enlargement for political reasons but does not have great economic interests in the candidate countries; therefore, Spain has not great priorities or areas of specific interest. The only concern of Spain is that enlargement could be used for other member countries as an alibi for reducing integration in some areas or reversing the current level of common policies. Therefore, the main concern of Spain is that the member countries were not ready to pay the real costs of enlargement, thinking that it is possible including ten new members in the EU for free. There are some position papers.

Sweden

The government has pointed out three main concerns for the enlargement process: The importance to uphold momentum in the process. There are several potential

obstacles on the road, and strong efforts have to be made in order to avoid delays in the process.

The government has a particular interest in protecting the inclusive character of the process and, as far as possible, prevent an unnecessary division of the candidate countries into two groups. Therefore, it is essential to make sure that there will be a substantial evaluation of the *acquis* also for the five countries which are not in the "first group". These countries must be given a practical possibility to "catch up" with the others. Also, it is important to safeguard the "parallelism" of the process to make sure that the two groups get an equal treatment.

Since the *acquis* is the heart of the EU cooperation it has to be accepted and accomplished by all member states, old and new. Possible transition periods as a result of the negotiations must be as short as possible and kept down to a minimum.

The Swedish government has not as yet presented any formal position papers relating to specific sectors or negotiating issues.

United Kingdom

The British government did not miss the opportunity to present enlargement as the key to freedom, peace and prosperity in Europe. But also immediate national interest may be discerned in official statements. As Foreign Secretary Robin Cook pointed out, 'it is important to our interests that they [accession states] should remember the United Kingdom presidency as a time when we proved ourselves advocates and friends of their membership and competent managers of the process of enlargement. It is equally important that the peoples of those countries should associate Britain with the benefits that they will enjoy as consumers as they lower the barriers to trade.'⁴²

At a closer look, the government has taken to some issues in particular. Romania, for example, seems to have received special attention. As the Foreign Secretary disclosed in the Commons, 'the Foreign Office has agreed to provide specific technical expert help to the Romanian Foreign Office to help it build up expertise for the negotiations'.⁴³

For the UK government, the costs of enlargement will continue to play a pivotal role during accession negotiations. The government has made clear that it is unwilling to raise the 1.27% budget ceiling. Attempts to grant financial support to accession states will thus be contingent on savings made elsewhere in

the EU budget. Britain's favoured candidate for budgetary cuts is, of course, the Common Agricultural Policy.

3. Give information on the institutional set up in your government to monitor and conduct the accession negotiations (organigrams). Which ministry is responsible, who are the key players?

Belgium

According to the new Constitution of the Belgian State, the European negotiations must be prepared by a cooperation between the federal state on one side, and the Communities and Regions on the other side, when some competences of the Communities or the Regions are involved. This is certainly the case for Agenda 2000. Agriculture is now partly a competence of the Regions (certainly for some structural aspects). The structural fund are also administered by the Communities and the Regions. The technical analysis of the Commission's propositions is done through a European coordination process, administered by the Foreign Affairs Ministry. It is in this coordination that the negotiations are followed and the technical decisions are taken by agreement of the different Federal and Regional ministerial cabinets involved. The coordination receives the report of the Council's and the COREPER's meetings. The political guidance of this coordination process is done by a Ministerial Conference, which gathers Ministers in charge of foreign affairs for the Federal State, the Communities and the Regions.

Denmark

Denmark set up a special committee for enlargement in September 1997. The MFA holds the chair and is thus in charge of the enlargement process. Central (and very active) members of the committee are the Prime Minister's Office and the Ministry of Economics. The remaining members are:

1.) Ministry of Finance, 2.) Taxation, 3.) Food, Agriculture and Fisheries, 4.) Business and Industry 5.) Justice, 6.) Environment & Energy, 7.) Research and International Technology, 8.) Interior, 9.) Social Affairs and 10.) Housing and Urban Affairs, 11.) Labour, 12.) Ministry of Transport.

So far the committee has met three times – monitoring the enlargement process in general terms.

Finland

The work is led and the official positions are accepted by the Committee of Ministers for EU affairs. Chaired by the Prime Minister, it includes the ministers of foreign affairs, European affairs, finance, justice, trade and industry, agriculture and forestry, the environment, and of social affairs and health, but is open to all members of the Council of State.

Each ministry is responsible for matters falling under its specific competencies, the ministry of foreign affairs for enlargement, the ministry of agriculture and forestry for CAP, and so on. Coordination between the various ministries is very important; thus, the Committee of Ministers for EU affairs meets weekly to put the ministries' work together. The Committee is assisted by a group of special advisers to the ministers, chaired by the special advisor in EU matters to the Prime Minister. This group represents all the parties in the government (Source: *Agenda 2000. Suomi ja Agenda 2000 – EU mittavien uudistusten edessä*. Basic information on Agenda 2000 by the Finnish Ministry for Foreign Affairs, EU secretariat.)

Moreover, at the Ministry for Foreign Affairs, there is an enlargement division which comprises representatives of state administration and interest groups.

France

The institutional set up in the French government for monitoring and conducting the accession negotiations corresponds to the traditional several tier organization of such discussions. The formal negotiator for France is the Foreign Affairs Minister, Hubert Védrine. He will probably be accompanied and sometimes replaced by, in ministerial level meetings, the Deputy Minister in charge of European affairs, Pierre Moscovici. At the lower COREPER level, France shall be represented by its Permanent Representative in Brussels, Pierre de Boissieu, and in the Enlargement Group by the man in charge of Central and Eastern Europe in the Permanent Representation, Philippe Leglise-Costa. Among the key players who contribute in the determination of France's position in the framework of interministerial co-ordination, there will also be Laurent Amar, head of the new enlargement unit of the SGCI, which was set up in 1997, as well as the two Deputy General Secretaries (in particular the Deputy General Secretary in charge of the enlargement sector, Ralph Dassa) and the General Secretary of the SGCI, Jean Vidal, who is also an advisor to the Prime Minister on European affairs. Moreover, as the

accession negotiations are organized on the basis of the various chapters of the *acquis communautaire*, the officials in charge of European issues in the various ministries involved will be called upon. In this connection, it should be noted that the ministries which did not so far have dedicated structures for European questions, either through lack of resources or low involvement in Community issues, have now corrected this. For instance the Environment ministry has set up a Bureau for Europe. The SGCI now has an identified correspondent in the Interior Ministry for third pillar questions. While in a period of "cohabitation" between a right-wing President and a socialist Prime Minister, the President's teams are obviously not left out of such a far-reaching process. The advisor to the President in charge of European Affairs, Pascale Andréani, therefore attends interministerial committees convened by the government at the Hôtel Matignon⁴⁴.

Germany

The foreign ministry is responsible (*federführend*) for the coordination of the different ministries and the articulation of the German position. The foreign ministry distributes all necessary information and papers from Brussels inside the federal government, requests statements and delivers the German position to the mission in Brussels. The mission in Brussels represents the German government in the Council working group Enlargement. To coordinate the definition of the German priorities in Bonn the federal government established the Working Group Enlargement (AG Erweiterung) in which all ministries are represented on working level. Inside the *Auswärtige Amt* the Task Force Enlargement (*Arbeitsstab Erweiterung*) is responsible for the coordination in Bonn and inside the ministry. This small team already existed under the heading Working Staff Central and Eastern Europe since 1994 and dealt with pre-accession policy. The inter-ministerial Working Group Enlargement only met once; the coordination is conducted by papers.

Greece

Enlargement negotiations are kept strictly within the ambit of the Ministry for Foreign Affairs. The part of the Ministry dealing with European Affairs, under Alternate Minister Papandreou, is formally in charge, but the connection the matter has with the major issue of Greek foreign policy, that is Cyprus and Greek-Turkish relations, often transfers responsibility to the

Minister for Foreign Affairs Pangalos. Undersecretary Kranidotis, although formally responsible only for policy planning, is intimately involved with enlargement negotiations especially in the Cyprus accession context for two reasons: of Cypriot descent himself (almost a candidate for the Presidency of the Republic) he has an extensive knowledge of Cyprus affairs and of the local political system, its limitations and its automatisms.

Furthermore, Kranidotis was the originator of the linkage of the Greece-Turkey-Cyprus dispute with Europe's relations with Turkey and of the approach to thorny items of the Cyprus issue through the extension to Cyprus of the "*acquis communautaire*" concerning e.g. free movement of persons or freedom of establishment to abolish *de facto* North-South partition.

Ireland

Two inter-departmental groups monitor and report on a) enlargement and b) Agenda 2000 to a Senior Officials Group which, in turn, reports to the Ministries and Secretaries Group, chaired by the Taoiseach (Prime Minister), which is responsible for overall policy formulation. The Taoiseach's (Prime Minister's) Department has an important coordinating role in Agenda 2000 while the Department of Foreign Affairs chairs the enlargement group. The Department of Foreign Affairs has a small enlargement team in its economic division.

The following key departments are involved in enlargement: Foreign Affairs, Taoiseach's office, Finance, Agriculture, Employment, Industry and Enterprise, Environment, Social welfare, Revenue. The Agenda 2000 group consists of a core from Foreign Affairs, Finance, Agriculture, Taoiseach's Department and Employment, Industry and Enterprise with other departments in attendance as necessary. Both groups meet once per month at principal officer level.

Portugal

Thus far, the enlargement process is being conducted by the Ministry of Foreign Affairs and more concretely by the Directorate General for Community Affairs. The DGCA is under the direct responsibility of the Secretary of State for European Affairs.

Spain

There are no new organizational arrangements in the Spanish administration for dealing with enlargement, with the exception that a new position has been created in the Secretary of State dealing with EU affairs within the Ministry of Foreign Affairs to coordinate policy in this area.

Sweden

The coordination of the work is handled by the Foreign Ministry – the Department for European integration in cooperation with the Department for Central- and East Europe. The head of the former is Mårten Grunditz and of the latter Lars Grundberg. An inter-ministerial task force-group has also been established for joint deliberations. Apart for these two sections, a main key player is the State Secretary for European Affairs, Gunnar Lund.

United Kingdom

Enlargement negotiations will be subject to ordinary Whitehall coordination procedures. The negotiations will be led by the Foreign Office, although the prime minister may be expected to take direct charge of controversial decisions.⁴⁵

4. What is the position on and what are the expectations of your country in view of the Luxembourg arrangements for the accession and negotiation process? Please comment on its core elements:

- Σ *Separate screening for the two waves;*
- Σ *New instrument of accession partnerships;*
- Σ *Financial commitment of the EU for pre-accession;*
- Σ *Annual reports by the Commission;*
- Σ *Multilateral 15+11 meetings as an instrument of inclusion;*
- Σ *Cross linkages between Cyprus and Eastern enlargement;*
- Σ *Turkey's place in this picture and the European Conference.*

Belgium

Separate screening for the two waves:

The Belgian government points out that "first wave countries" do not start negotiations as one group.

Negotiations will be individual from start till end. In this respect, countries with whom negotiations are started first, will not necessarily become full members first. Countries belonging to the "second wave" do not have to wait until the end of negotiations with those of the "first wave". As soon as they are well prepared, they will be invited to start negotiations. Following these principles all countries have "equal chances"⁴⁶.

New instrument of accession partnerships:

According to the Belgian Prime Minister, the proposed partnerships will assist and encourage the candidate members towards full membership. It will prepare them for their rights and obligations of membership. The foreseen financial support of 21 billion ecu will allow the candidate members to realise the conditions for accession⁴⁷.

Financial commitment of the EU for pre-accession:

The Belgian government is in favour of fixing the budgetary ceiling at 1,27% of GDP. The necessary funds for financing the enlargement have to be found from reforming a number of policies (CAP and structural funds). However, the Belgian government is opposed to the principle of "juste retour" reminding that the European Union is built on solidarity⁴⁸.

Annual reports by the Commission:

According to the Belgian Prime Minister the Commission's objective evaluation in these annual reports would allow countries from the so-called "second wave" to start negotiations at the appropriate moment⁴⁹.

Turkey's place in this picture and the European Conference:

The Belgian government is in favour of the inclusion of Turkey in the European Conference since it was repeatedly confirmed that Turkey was an "eligible" candidate for membership (in a longer term perspective)⁵⁰.

Denmark

Denmark's position on the Luxembourg arrangement can be summed up as follows:

Separate screening for the two waves

Denmark is satisfied with the screening in two waves, which – according to the Government's information – is taking place separately, but also parallelly. Hence,

the Government is presently not of the opinion that the screening process has led to a further division between the two waves.

Accession Partnership:

It is too early to judge the accession partnership instrument, especially how the in-built conditionality (suspension of aid) will work in practice. In principle, the partnerships could however provide both the candidates and the EU with suitable steering instruments. Already now the adoption and revision of national approximation programmes seem to have been helpful for the applicants.

Financial commitment of the EU for pre-accession

This section of Agenda 2000 is the only one to which Denmark has true objections. In the opinion of the Danish Government, the proposal of the Commission is not in full compliance with the European Council decisions from Luxembourg and Cardiff. Here, according to Danish interpretation it was not only agreed to increase the total pre-accession aid. Just as important was the decision that all applicants should be treated equally. Countries which join the EU earlier than others should thus not receive more aid than the 'second wavers'. Indeed, most aid should be given to those countries with the greatest needs.

In the coming months the Danish Government will try to move the Commission's proposal closer to the actual Luxembourg and Cardiff decisions. In this attempt Denmark will also stress that budget negotiations should not lead to a discrimination of new members. For Denmark it would thus be unacceptable if the newcomers as from the date of accession are not subjected to the same aid criteria and procedures as the present members. Such discrimination – for instance in terms of fixing a ceiling for economic aid – would not only represent a major change to the EU's policy so far; it would also complicate the actual accession negotiations. Very likely, applicant countries would thus react against such discrimination in the negotiations.

Annual reports by the Commission

In order to maintain the momentum in the enlargement process – both for those countries which are already engaged in actual negotiations and those preparing themselves for this stage – it is very important for Denmark that the annual reports are indeed submitted on an annual basis.

However, should a country not wish to receive an annual report – for instance due to lack of progress – this is acceptable.

Presently, Denmark is expecting that Latvia and Lithuania as the only countries among the five will fulfil the objective criteria established by the Commission in July 1997. Should this indeed be the case, Denmark is of the opinion that the Council should also open negotiations with Latvia and Lithuania.

Multilateral 15+11 meetings as an instrument of inclusion

From the Danish point of view multilateral meetings are useful; primarily as a monitoring instrument. They are however not judged as a particularly important instrument of inclusion. The only thing which can truly convey this feeling of inclusion is bilateral talks and negotiation between the applicant and the EU and participation in EU-programmes.

Cross linkages between Cyprus and Eastern enlargement

Presently, there is a risk that the Cyprus question could block enlargement – due to a possible Greek veto, which the other EU countries should be careful not to press Greece into.

Presently, Denmark is of the opinion that actual negotiations should also be opened with Cyprus in the fall 1998. In other words: no special track should be created for Cyprus.

Turkey's place in this picture and the European Conference

Turkey is looked upon as an important European country, which is presently not able to fulfil the accession criteria (for instance in terms of political criteria such as human rights).

The EU should find a suitable balance between application of carrot and stick towards Turkey. Denmark would like to see Turkey as a participant in the European Conference and hopes that a lifting of the Greek veto on economic aid to Turkey could lead to such a participation. Denmark also supports the Commission's special strategy on Turkey.

Finland

To these specific questions, no direct answers really appear; the following is therefore deduced from the

material quoted here:

Separate screening for the two waves seems fine, as long as the applicant countries are treated equally and assessed according to the same objective criteria (see above).

New instrument of accession partnerships and Financial commitment of the EU for pre-accession seem fine; the Finnish government underlines efficiency in organising the different forms of support and the need to avoid overlaps (see above).

Annual reports by the Commission

Again, one can assume that Finland has nothing against; it seems to stress the need for monitoring the progress of the enlargement process.

Multilateral 15+11 meetings as an instrument of inclusion, Cross linkages between Cyprus and Eastern enlargement and Turkey's place in this picture and the European Conference

As to the European Conference and other forms of contacts between the Union, its members and the applicant countries, Finland emphasises their importance (see above). As for Cyprus and Turkey, it seems that Finland is ready to go as outlined in Luxembourg, including Turkey's European strategy which could perhaps be given more concrete content. Finland stresses that they should apply the same objective criteria to all the applicant countries, including Turkey.

France

France has repeatedly urged that all applicant countries receiving equal treatment and that their application be assessed on objective criteria⁵¹. Two reasons can explain its attitude. Firstly, it wished to make sure that its French speaking "protégés" from Eastern Europe, Romania and, to a lesser extent, Bulgaria, would not be arbitrarily excluded from the enlargement process to the benefit of Central Europe considered "politically correct" as President Mitterrand used to say, and above all backed by Germany. Moreover, it wishes to avoid that a political decision should lead to the accession of countries which would be unable to adopt the *acquis communautaire* and would jeopardize the continuation of the Community integration (here again this is the "custodian" tendency of France). The Luxembourg arrangements for the accession and negotiation

process meet these concerns. In fact, there was time when France was in favour of the opening of negotiations with all applicant countries—negotiations with varying paces from one country to another according to their respective evolution. Actually, the December 1997 European Council of Luxembourg approved the proposal of the European Commission that negotiations should start only with a first group of countries including Cyprus, Estonia, Hungary, Poland, the Czech Republic and Slovenia. But, for one, the current government realized that the opening of a large number of negotiation processes would result in a very heavy work-load for the Commission⁵². Moreover, several elements of the Luxembourg arrangements are in-keeping with the French concern that no cut out line between applicant countries should be introduced. First, the idea of a European Conference gathering all applicant countries at regular intervals, as tabled by France, was taken up⁵³. Secondly, it has been decided that the Commission shall regularly assess the situation of all applicant countries through annual reports. It may, on this occasion, advise to extend the accession negotiations to other applicant countries if they conform with the Copenhagen criteria (it can also issue a warning to a country already in the first round of talks, in the case it has slackened in its efforts towards the *acquis communautaire*). Thirdly, the second-tier countries shall also take part in a screening exercise aimed at helping these countries to adopt the *acquis*. Last, the Declaration of the Luxembourg European Council specifies that pre-accession aid, the increase of which has actually been approved by France, will be based "on the principle of equal treatment, independently of time of accession, with particular attention being given to countries with the greatest need"⁵⁴.

It should nevertheless be added that beyond its position in principle, France today does not seem to be very much in favour of the opening of negotiations with new countries. In the course of interviews, several French officials seemed to consider that the boat was full enough and should not be overloaded. In fact, even with the first wave countries, it appeared reluctant to the opening, suggested by the Austrian presidency, of negotiations as such before the end of the screening exercise. France specifically pleaded in favour of "political control" of the process and secured that the General Affairs Council should decide on the opening of negotiations on the basis of a Commission report⁵⁵.

The decisions taken in Luxembourg on Cyprus also positively meet the concerns of France. It would even

seem that it was on the urge of the President of the Republic Jacques Chirac that the European Council asked Cyprus "to include representatives of the Turkish Cypriot community in the delegation". Logically, the non-respect of this condition is not satisfactory to France. All the same, it did not want to block the opening, called for by its partners, of negotiations with Cyprus in March 1998. It will not next November either, while nevertheless taking the opportunity to reiterate that, in its view, the island cannot join until it has not solved the problem of its division, in order to avoid importing a conflict in the very midst of the Union⁵⁶. The President of the Republic seems firmly intent on having this principle applied⁵⁷. It remains that French determination clashes with the equally strong determination of Greece: Should France oppose the joining of Cyprus, Greece could in turn block the accession of Central and Eastern European countries.

As regards Turkey, the reactions of France to the decisions made at Luxembourg are more lukewarm. Admittedly, the French President of the Republic insisted on the need to anchor Turkey to Europe and secured that it should be invited to attend the European Conference⁵⁸. But on this question, the forward and backward going of the Fifteen and their refusal to grant Turkey a status similar to that of the other applicant countries, led the Turks to turn down the invitation⁵⁹. Jacques Chirac took advantage of the first meeting of the European Conference to publicly deplore "the absence of Turkey whose European outlook is most relevant to France" and he did his utmost to secure that the conclusions published at the end of the meeting should mention that "the Conference obviously remains open to all the countries that had been invited to attend"⁶⁰. Political and economic considerations can explain French support to Turkey. Among the former, there is the will to reward the Turkish leaders who have opted for western secularism and modernity. The strong development of French exports to Turkey is probably not alien to the attitude of France either⁶¹.

Finally, if we overlook the Turkish episode, the decisions of the Luxembourg European Council correspond to the French desire to control the enlargement process by only admitting those applicant countries that may meet the demands of Community integration, without, in the process, generating undue frustrations in temporarily "unsuccessful" countries. Hence the wish to avoid any "uncontrolled acceleration" of the process and its original reluctance

to the Austrian proposal to open real negotiations as early as November 1998 without waiting for the end of the *acquis* screening process.

Germany

Separate Screening

The federal government pursued in the run up to the Luxembourg summit the policy which Klaus Kinkel very often called "differentiation without discrimination. The German "process-scenario" later named "stadium-model" had been very close to the Commission's approach in agenda 2000 and foresaw a gradual phasing-in of CEE countries. It stressed that "pre-ins" should have every chance to start negotiations at any moment provided that they meet the criteria. This should also include the risk for the first wave-countries to fall behind and the chance for the backbenchers to pass the frontrunner the separate screening according to the five plus one formula and the enlargement design as an inclusive process creating an effective parallel strategy composed of financial support through a reformed PHARE-programme and pre-accession aid as well as assistance for individual adaptation programmes of the candidates.

However, maintaining permanent individual treatment will then be put to an essential test when this should mean to finalise individually and to submit single accession treaties to the two chambers, the Bundestag and the Bundesrat, for separate ratification. This seems not be realistic and it seems very likely that the process model will then change to a group scenario.

The Austrian initiative to start bilateral accession negotiations on already screened chapters in November is backed by the German government, although some observers remarked a scepticism in Germany due to concerns about budgetary impact (FAZ, 8.7.1998).

Pre-Accession Strategy, new instrument of accession partnership, financial commitment and annual reports

Since the adoption of the *acquis communautaire* is one fundamental priority of the German position and the extreme welfare discrepancy is the fundamental argument to stick to long transition periods for free movement of workers the federal government backed the Commission's approach to accelerate the pre-accession strategy. In a joint declaration from July 1997 the German foreign minister Klaus Kinkel together with his Austrian colleague Wolfgang Schüssel supported the new instrument accession

partnership. However, Germany had been the only member state that aired some problems concerning the legal basis to implement this new tool. During the Council session of October 1997 Minister Kinkel declared that article 235 might cause some problems and delay for Germany due to the fact that the federal government has to submit all EU acts based on article 235 TEC to the Bundesrat.

The federal government aimed at limiting the role of the Commission. Bonn hence supported the Council approach to upgrade the role of the association institutions. The member states as key actors inside the association Council can monitor the implementation of the accession partnerships and the national programs of pre-accession. Moreover, Bonn supports the reform of PHARE. The twining approach to assist the institution building objective however will likely cause some personnel problems.

The Bundesrat declared that the accession partnerships and the financial commitment are positive and appropriate instruments of the enhanced pre-accession strategy. The Länder, however, stressed their interest in an intensified co-operation in justice and home affairs. The interests and the problems of border regions in the framework of enlargement should be respected in this process.

All German politicians emphasised that, despite their preference for the process scenario and the timely differentiation, no new frontiers should be established across Europe. Hence, intensification of pre-accession strategy, annual reports and financial assistance are instruments of this inclusive process. The SPD, moreover, asked for additional commitments to assist the CEEC (Conclusion of the party convent in Hannover, December 1997).

European Conference, 15+11 ad hoc-meetings and Turkey:

Germany reacted cautiously to the French initiative to create a Standing or European Conference in 1996. After the informal meeting of the foreign ministers in Apeldoorn in spring 1997 and the oral presentation by the then French foreign minister de Charette the majority of the member states including Bonn joined the initiative. However, Bonn's primary intention was to limit the damages that could have been caused by a more elaborate and more accession related design of the Conference. Germany wanted to avoid creating a forum for interventions and for defining obstacles that could paralyse the bilateral accession

negotiations. Although the German government, in principle, welcomes a parallel strategy that reassures the backbenchers that they are not out of the process, Germany feared that an European Conference could establish new obstacles and create delay for the entire accession processes. During the negotiation on the accession scenario in the Council under the Luxembourg presidency Bonn tried to use the multilateral framework as fundamental element of the inclusive approach including all ten applicants. This framework, dealing with accession matters however should be limited to applicants for the accession process.

Turkey is, according to the Commission's agenda 2000, no member in this process. Hence there emerged a clear dissent between Germany, the UK and France as well as other EU members because Bonn preferred a separate, however privileged treatment for Turkey. From a German point of view an accession-oriented European Conference should have been solely devoted to eastward enlargement. Consequently the German proposal from November 1997 to establish a separate Enlargement Committee had been the attempt to exclude Turkey from this multilateral accession framework and to create a separate multilateral framework. The possibility of ad hoc-meetings on ministerial level, being included into the Luxembourg conclusions, roots in the German initiative. With view on the *acquis communautaire* as moving target and the implications of EMU Bonn will very likely use this instrument under its presidency to brief the candidate countries on horizontal topics relevant for accession.

The German-Turkish relations had been damaged by the harsh accusations from Ankara following the Luxembourg summit. It is a matter of fact, that Germany denied the inclusion of Turkey into the enlargement process. However, on various occasions Bonn confirmed the open door for Ankara, if Turkey will meet the Copenhagen criteria for accession. According to Bonn, the EU should once again invite Turkey to the European Conference meeting on foreign ministers level scheduled for October 5.

However, there are some singular voices speaking from the permanent special status of Turkey outside the Union, such as the influential Social democrat Klaus Hänsch, former president of the EP. He stated that the role of Turkey is outside of the EU (VWD Europa 1.4.1998). The backbencher of the CDU parliamentary group, Franz Peter Basten, stated that

Turkey can not become member of the European Union (FAZ, 3.1.1998). On the other hand the Greens opt for a clear accession perspective for Ankara, and some of their MP's even to start accession negotiations together with the other candidates (cf. press declarations No. 0205/97, by Cem Özdemir: "EU-Beitrittsverhandlungen mit der Türkei aufnehmen, 9.3.1997). Turkey, however, should meet all criteria for EU-membership as the other aspirants.

Cyprus

The Cyprus problem is perceived in Bonn as a fundamental obstacle that might endanger the accession process. The main objective of the German position is to prevent the absorption of new conflicts into the EU. Officially the German position corresponds to the EU approach. Germany supports the inclusion of the Turkish community into the Cyprian delegation. Consequently the current situation does not allow successful accession negotiations and EU-membership of the Greek part of Cyprus. Bonn still hopes, at least in official declarations, that the perspective of accession may allow conflict solving.

Greece

The Luxembourg decisions were mainly seen as a confirmation of the "European strategy for Cyprus"; the emphasis on Cyprus has made of Greece a proponent of the (tightly knit) group-model, since a regatta approach could easily let the Cyprus candidacy to trail.

There is little discussion on the pre-accession strategy, with the exception once more of Cyprus whose pre-accession talks are viewed mainly under a political angle (participation of Turkish Cypriots to the talks).

Second-wave is considered to follow closely the first entrants; however, there is no in-depth discussion on this issue.

The European conference saga has been viewed mainly under the angle of the participation or non-participation of Turkey in the Conference – a diplomatic construct that has been partly attributed to the desire of the EU to grant some sort of participation to Turkey.

Ever since the mid-Eighties, Greece has been insisting that any closer links of Turkey to the EU would have as condition precedent a normalisation of Greek-Turkish relations. If accession negotiations for Cyprus have been the quid pro quo for Greece accepting the

EU-Turkey Customs Union, the Imia 1997 incident and Turkish demands over islets of the Aegean have led Greece to formulate a position whereby Turkey would have to step down and address itself to the Hague International Court of Justice, in order for Greek opposition to closer EU – Turkey relations to cease. Later on, human rights issues and a more effective functioning of democracy have been added to the conditions that are asked from Turkey for its relations with Europe to proceed.

Ireland

The government position is one of overall support for the Luxembourg approach. Ireland has no major strategic interest in which countries are included in the first or second wave but supports the use of the Copenhagen criteria as the yardstick to determine progress in negotiations and graduation to accession negotiations. Detailed positions on individual aspects of enlargement will be elaborated as accession negotiations progress and as the screening exercise moves to more difficult chapters.

Irish views on:

- a) separate screening: it is expected that the screening exercise with the 'pre-ins' will be intensified following the Commission's report of November 1998
- b) accession partnerships: no strong view
- c) financial commitment for pre-accession: the government supported the ring-fencing of budget appropriations for pre-accession so that it would not affect the distribution of funds amongst the existing member states
- d) annual reports: no strong view
- e) multilateral meetings: no strong view but substance of such has been poor
- f) Cyprus and enlargement: supports the view that there is parallelism between progress towards a political solution to the conflict on the island and progress towards enlargement. Sees cross-linkage between it and enlargement to the East but tends to see this an issue to be faced in the long-term.
- g) Turkey: supports measures to include Turkey in the enlargement process. The government sees signs of a positive approach from Turkey but much may depend on the stability of the current government (as at November 1998).

Portugal

The Portuguese position on the enlargement process is still quite open, following the process itself which has, thus far, advanced quite slowly. The Portuguese government has consistently stressed the political and strategic dimension of enlargement. The political importance of enlargement determines Portugal's full support for the process, although some economic problems could arise.

Given the differences between applicant countries, separate screening might be a wiser choice, permitting a more in-depth evaluation of "first wave" countries. This does not mean, however, that there is a clear-cut division between two groups. Depending on internal developments in each of the applicant countries, Portugal is willing to accept the re-evaluation of countries that to date have been categorised as members of a "second wave". The Portuguese government is not limiting enlargement to a specific number of countries: this depends on the capacity of applicant countries to meet conditions and on the Union's readiness to accept them.

As far as Cyprus is concerned, the Portuguese government advocates a flexible approach. It is difficult to see how Cyprus can join the Union without the resolution of the Island's division. Nevertheless, the link between Cyprus and "first wave" countries should be maintained. Regarding Turkey, the important thing to stress is that invitation to participate in the European Conference is still open.

The most important problem for Portugal is the funds committed to the pre-accession strategy. The Portuguese government is supporting the allocation of financial resources to the applicant countries, given Portugal's own experience with accession. If the European Community supported Portugal, the same should be done for the new democracies of Central and Eastern Europe. It is the division of financial resources for the pre-accession strategy that worries Portugal, since the majority of funds will be paid from structural funds, and CAP funds are being much less re-allocated to the applicant countries.

Spain

- There is agreement on a separate screening for the two waves.
- Spain agrees on the new instruments of accession partnerships.

- It agrees with the Agenda 2000 proposals, but only after having reached a global agreement in the financial perspectives.
- The Governments agrees with the annual reports by the Commission.
- Spain agrees with the multilateral 15+11 meetings as an instrument for inclusion.
- With regard to cross linkages between Cyprus and Eastern enlargement Spain prefers to separate both issues to the greatest possible extent.
- As regards Turkey's place in the European conference it should be treated like any other applicant country and fulfil the same conditions.

Sweden

Separate screening

The government has expressed its satisfaction with the Luxembourg decision to open the process with all 11 countries, since it partly corresponds with the earlier proposals by Sweden and Denmark. Now the government puts the emphasis on an overview of the acquis with the five countries in the "second group", and the overview should in essence contain the same substance as for the "first group". If not, there is a risk that the five would have to go through the whole overview once more when the time has come for negotiations.

Sweden supports the ambition to start negotiating on some easier chapters. A comprehensive work plan covering the Austrian, German and Finnish Presidencies is desirable.

New instruments and financial commitment

On the financial side it is important not to underestimate the level of the expenses for admitting new member states. It is essential, says the government, that financial commitments to new states and pre-accession support will not be used by EU(15). There must not be any discrimination against the new members, and the total costs should not be hidden, for example by giving new members transitional provisions which for a shorter period generate lower costs. Sweden is, in all main parts, supporting the Luxembourg arrangements concerning the new accession instrument and the financial commitment. However, the Ministry of Finance has not yet looked closer into all details, since new negotiations on these matters will not take place until the second half of 1999.

Examinations by the Commission of the candidate countries is welcomed by Sweden, and the same applies to the fact that the regular reports will give the "pre-ins" a possibility to join the group of countries with which the accession negotiations have already begun. The government points out that "it is essential that the evaluation of progress made is based on the same criteria – i.e. the criteria for membership as laid down in Copenhagen and Madrid – for the five candidates not yet in Intergovernmental Conference as for the six already in accession negotiations".

Sweden is also supporting the decision on multilateral 15+11 meetings, but points out that such meetings have not yet taken place. Regarding the "cross linkages" and Turkey's place in the picture, the government is referring to the Conclusions of the European Council.

United Kingdom

The UK government, during its presidency, has been one of the main proponents of a system whereby 11 countries could be in the same pipeline, moving towards the same destination. It is aware that the speed at which candidates arrive will vary, but sees this process as a key incentive for the candidates to push forward with internal reforms. However, starting negotiations with just the 5 + 1 was, in the view of the government, not a disincentive to the other candidates. As Mr Cook observed: 'Just because negotiations start with six specific members does not mean that those six will be first across the line'.⁶²

The UK government was satisfied with the compromise formula that dissuaded France from blocking the start of negotiations with Cyprus. On the issue of Northern Cyprus, however, there was disappointment but no surprise. Britain's special status as a UN guarantor power of Cyprus and the existence of UK sovereign bases on the island confer a special responsibility. Since EU membership is deemed to be in the best interests of Cypriots on both sides, Britain would like the Turkish community on board somehow. While Mr Cook is eager to stress that 'there will be no veto for the regime in northern Cyprus', he clearly hopes that northern Cypriots will see that they have 'more to gain from anybody else in Cyprus from EU membership as their income level is currently a quarter of that of the Greek Cypriot part of Cyprus'.

B. AGENDA 2000/EU-RE-FORMS

- 1. What are pre-conditions for a first round of enlargement from the point of view of your government? At which point should institutional reforms take place? Are the orientations given in the protocol on institutions in the Amsterdam treaty enough? What is the response to the Belgian-Franco-Italian declaration?***

Belgium

The Belgian Government has defined its common declaration with France and Italy because it believes that the institutional progress made by the Amsterdam Treaty is not sufficient to prepare the Union for enlargement. The subjects that have to be decided upon before the adhesion of the future members are: future composition of the Commission, new weighting of votes in the Council and an extension of qualified majority voting. According to Prime Minister Dehaene⁶³, particularly the revision of this last item is of importance. However, he has added, the insufficient results are not a reason to delay the enlargement. The Prime Minister and the Minister of Foreign Affairs are also in favour of creating a "Committee of Wise Men" which would be useful for resolving the institutional problems still to be tackled⁶⁴. The position of the Belgian Government is supported by the Belgian Parliament⁶⁵. Moreover, this support was also present in almost all documents that were sent to us (by political parties, social partners, regional authorities, ...).

Denmark

For Denmark the only institutional pre-conditions for enlargement are those agreed upon in the enlargement protocol attached to the Amsterdam Treaty: In order to include the first five countries, the EU must agree on a streamlining of the Commission and a new distribution of votes in the Council. These changes should not be carried out before the Amsterdam Treaty is ratified. According to the Danish Government the changes could be agreed upon as the final chapter of the accession negotiations, but in principle also in a special conference. Denmark understands, but does not support the Belgian-Franco-Italian declaration, which it deems to be unnecessary.

Denmark is also against a major IGC, whereby many other issues would be added to the institutional problem.

Finland

Preconditions for a first round of enlargement from the point of view of the government

It seems that the Finnish government sees as the preconditions for enlargement above all the fact that the applicant countries fulfill the membership criteria, and that acceptable arrangements are found for financing the enlargement. Institutional reforms, in turn, do not seem to be a necessary precondition.

The importance of enlargement is often stressed. Prime Minister Lipponen stressed at the Finnish Parliament on December 8, 1997 that the process is a long one, but that it is also a historical necessity since the Union has to be open for all those European countries wishing to join and capable of joining (Source: <http://www.vn.fi>).

Finnish position on the question of when institutional reforms should take place, or *at which point institutional reforms* should be made, is not totally clear. I would interpret the quotation below as expressing the will not to let institutional problems hinder enlargement while, at the same time, not braking such reforms, should they become possible.

Readiness for reforms

As to *the protocol in the Amsterdam treaty and whether it is enough*, the Government sees that the reforms could have gone further.

In a commentary by officials of the Ministry of Foreign Affairs, it is stated that the agreement does not go as far as Finland would have been prepared to go in questions such as the legal personality of the Union, external economic relations and increasing majority voting, as well as decision-making modalities in the field of justice and home affairs (Source: Satuli, Antti/Kosonen, Eikka/Kaila, Heidi/Stubb, Alexander 'Amsterdamin sopimus, Euroopan unioni ja Suomi'. *Ulkopolitiikka*, vol. 34, No. 3, 1997, pp. 4–13).

Prime Minister Lipponen stated in the Finnish Parliament on February 12, 1998 that it is important to reform the EU decision-making and its structures, and supported increased majority voting. More majority voting, he explained, means for Finland more possibilities to influence: By giving up decision-

making power to the common table it receives more influence, while large states actually have to give up relatively more (Source: *Helsingin Sanomat*, February 13, 1998).

Enlargement first

The *response to the Belgian-Franco-Italian declaration* is equally difficult to extract. In other words, Finland does not seem explicitly to have chosen whether it would prefer the institutional reforms to take place before or after the enlargement. It seems, however, that the Finnish position has in time develop towards setting more clearly the enlargement as a first priority, that is, without requiring institutional reforms to take place before it.

In the foreign ministers' meeting in Brussels on September 15, 1997, the Minister for Foreign Affairs Tarja Halonen remarked that Finland was previously ready to support the Belgian-Franco-Italian initiative, but was now

of the opinion that requiring reforms before enlargement might hinder the process, which is a valuable goal and should not be threatened by the EU's internal matters.

In a speech in Helsinki on October 9, 1997, Prime Minister Lipponen stated that Finland is ready to increase the use of majority voting in new areas, and to seek a permanent answer to the question of weighing the votes in the Council. Finland wants a strong Commission which has commissioners from all the member countries (this being important both for the influence of the smaller states and for the general legitimacy). He affirmed that it is better to make these reforms in good time than too late. On the other hand, he also stated that institutional questions may not come to constitute a hindrance to enlargement (Source: <http://www.vn.fi>).

In November 1997, the political priority of enlargement was stated by the Finnish Prime Minister (Source: *Helsingin Sanomat*, November 3, 1997).

Prime Minister Lipponen, when commenting on the Amsterdam Treaty at the Finnish Parliament on February 12, 1998, observed that the Amsterdam Treaty made possible the start of the new enlargement process. This process, he continued, may not be postponed because of the fact that some institutional questions remained pending (Source: <http://www.vn.fi>).

Finally, President Ahtisaari urged in the European Parliament in June for more majority voting in questions which are appropriate for being taken care of at the European level. In his view, the decisions on decision-making have to be lasting, not temporary, and independent of the number of countries adhering. He also stated that decisions on reforms [but not reforms?] have to be made "in good time before enlargement" (Source: *Helsingin Sanomat*, June 18, 1998).

Restrictions on the nature of reforms

While Finland has been advocating institutional reforms, it seems to aim at posing some conditions on them. At least three such facts have appeared:

a) CFSP development should still be decided by unanimity (Source: *Agenda 2000; VpJ 54 e §:n mukainen selvitys eduskunnalle 10.10.1997* [Government report on Agenda 2000 to the Parliament, October 10, 1997]).

b) Finland will in no case renounce its Commissioner (e.g., Foreign Minister Halonen in *Helsingin Sanomat*, May 19, 1998).

c) Support for the idea of not increasing supranationality, but not for the idea of giving more power to the larger states (Prime Minister Lipponen's comments on the Cardiff Summit at the Grand Committee about the Kohl-Chirac letter on subsidiarity and institutional reforms before enlargement; *Helsingin Sanomat*, June 13, 1998).

France

From the point of view of the French government, institutional reforms are beyond doubt pre-conditions for a first round of enlargement. France is already signatory, together with Belgium and Italy, of a declaration appended to the Amsterdam Treaty which states that the Treaty "does not meet the need (...) for substantial progress towards strengthening of the institutions" and that "such strengthening is a prerequisite to the conclusion of the first accession negotiations". This position, in-keeping with the "custodian" attitude already mentioned, is shared by the majority of the French political staff. In the course of a debate in the National Assembly, in December 1997, the opposition member of parliament, Valéry Giscard d'Estaing, former President of the Republic, made a proposal that the ratification law of the Amsterdam Treaty should include an article indicating that "the first accession negotiations shall only be

tabled for ratification by Parliament after it has been notified of an agreement on substantial progress towards the strengthening of institutions"⁶⁶. This idea has gained ground, in particular with Senate members who will also be called upon to ratify the Amsterdam Treaty, if the parliamentary path is selected⁶⁷.

As regards the content of the institutional reforms, it would seem that today France is in favour of completing the protocol on institutions in the Amsterdam Treaty with some practical reforms which would not necessarily require a modification of the treaties. Although during the last intergovernmental conference France advocated a drastic reduction of the number of commissioners, it now would seem to recognize that such a proposal is unlikely to get through. It would accept the Amsterdam protocol which stipulates that at the entry into force of the first enlargement of the Union, the Commission shall comprise "one national of each of the Member States". Consequently, the current Deputy Minister in charge of European affairs, Pierre Moscovici, acknowledges that "most countries refuse not to have 'their' commissioner"⁶⁸. Nevertheless to compensate for the relative reduction in the number of commissioners, France seems in favour of having increased hierarchy within the Commission, with for instance "commissioners in charge of very large portfolios and deputy commissioners who would have more limited responsibilities"⁶⁹.

As stipulated in the protocol of the Amsterdam Treaty, which makes it a pre-condition to the reduction in the number of commissioners, France is also favourable to a re-weighting of Council votes towards bigger countries. In the course of the intergovernmental conference, France opposed one of the alternatives available, the setting up of a dual majority (not only based on votes but also related to population numbers), on consideration that it would disrupt the parity between the big fours to the benefit of Germany, markedly more densely populated since the reunification⁷⁰. To the best of our knowledge, France has not so far issued a new position. As regards Council, France is also in favour of an extension of recourse to the qualified majority voting as provided for in the declaration appended to the Treaty it has signed with Belgium and Italy, that Germany has accepted since. And yet, over the history of the building of Europe, France has sometimes been reluctant, beyond and over formal statements, to lose control of decisions at the Community level; it may in

fact now be genuinely convinced of the necessity, in the enlargement context, to limit as much as possible the unanimity decision-making in Council. During a symposium on these issues last June, Pierre Moscovici actually underlined that qualified majority voting was not "chopper blade voting" but "a formidable incentive to negotiate and look for compromise" which should become the rule⁷¹. Again, France advocates at the same time the implementation of apparently smaller scale but equally important changes that would improve Council work. Hubert Védrine and Pierre Moscovici particularly insisted on the need to restore the General Affairs Council into a genuine co-ordination role, possibly by dividing it into a Council for political affairs and a Council for European affairs so as to better distribute the workload⁷².

Therefore, in order to secure the adoption of institutional reforms, France seems determined, as stated by the European Affairs Minister not to "retable as are the proposals that were not accepted" by the intergovernmental conference and to consider parallel measures of an apparently lesser scope⁷³. This is actually easier to do for the present-day government as it came into office at the end of the conference in June 1997 after the victory of the left in the election to Parliament which followed the dissolution of the National Assembly by the President. With a pragmatic attitude, the latter seems to be of a similar mind.

Germany

The first reaction of the federal government in September 1997 on the Belgian-Franco-Italian declaration had been negative. At the margins of the General Affairs Council meeting in Brussels some German officials stated that this initiative was "not helpful" and warned that this attempt to extend the QMV could endanger the ratification process. Basically the accession process should not be postponed and no preconditions which might burden the start of the accession process should be introduced in the aftermath of the IGC (FAZ, 17.9.1997).

As regards the question of institutional reform the federal government already aired its position in the Amsterdam summit. To make the EU and the institutions fit for enlargement Germany pursued during the IGC three objectives: (1) to reduce the number of Commissioners, (2) to rebalance the weighting of votes in the Council and to introduce a doubled majority voting and (3) to include the

opportunity of flexibility.

The German position, however, in the endgame of the IGC at Amsterdam had been to rule out any possibility to postpone enlargement and thus consequently to find a compromise acceptable for all which would allow to set the enlargement train on track. As chancellor Kohl's statement during the IGC, there might be a Maastricht III necessary, indicated, the German position observes well the necessity to further the reforms. Some in the Kohl administration believed that the next IGC should conclude before the first accessions and should answer the question on the finalité of the integration process; that means the distribution of competencies between the European and the member state level (maybe a European constitution), a hierarchy of norms and even the geographical borders of the EU (this corresponds to the French position). The joint Franco-German initiative (Kohl-Chirac letter from June 1998 in the run up to the Cardiff summit) to define the principle of subsidiarity and the competencies of decision-making levels has to be seen in this framework.

Also the CDU/CSU parliamentary group emphasised that the principle of subsidiarity should become the guiding principle for the Union and likewise for the accession process. The CDU/CSU will not accept a competence authority of the EU (Paper of the CDU/CSU parliamentary group on eastward enlargement dated 7 July 1998).

In contrast to chancellor Kohl, who stated that general QMV will not be in German national interest (in particular in the field of asylum and visa policy), the Social Democrats declared to accept QMV as general principle except for core areas of financial and tax policy (FAZ 25 July 1998).

Greece

Pre-conditions as such are not set for the initiation of enlargement procedures (except the insistence of linking the Cyprus accession negotiations to the first round of enlargement). Both in government and in the media one finds general statements to the effect that the proper functioning of EU institutions should be ensured for enlargement not to block the Union, as well as references to the enlargement/deepening dilemma; but these references do not amount to, nor seen as pre-conditions.

An "Amsterdam-II" procedure before enlargement takes shape, would be viewed positively, but is not

yet a priority. Amsterdam institutional orientations for the future have been termed inadequate in seminars and panels with official participation; still no concrete hierarchy of alternatives has been aired.

Both the Belgo-Franco-Italian declaration and the Kohl-Chirac initiative have been viewed with reticence insofar as they are considered "hard-core-Europe" manifestations, rather bent on excluding than in integrating.

Ireland

The government view is that a successful conclusion of the Agenda 2000 negotiations and institutional reform are pre-requisites for enlargement. It has not taken a definite position on the timing of institutional reform but holds that the Amsterdam treaty must first be ratified. It is opposed to opening a debate on institutional reforms which would trigger constitutional change and a referendum in Ireland in the near future, and argues that it is sufficient, in the interim, to work within the parameters of the Amsterdam Treaty and Protocol 1.

Portugal

Institutional reform is a difficult topic for the Portuguese government, given the prospects of losing some of its current weight in the decision-making system. There is a clear awareness that institutional reform should occur before enlargement, whatever the number of new members. The protocol on institutions of the Amsterdam Treaty is considered a good basis for negotiating institutional reform: the connection between the number of commissioners of the major countries and the re-weighting of votes is seen as a good starting point for Portugal. The Portuguese government considers that even with enlargement drastic institutional reform is unnecessary. According to the Portuguese Secretary of State for European Affairs⁷⁴ the card of the institutional reform is being played as an instrument to re-define the relative power of State within the Union.

Spain

The only condition is to finish negotiations on Agenda 2000. Institutional reform should take place as established in the Protocol of the Amsterdam Treaty, before enlargement takes place, and following the lines agreed upon in the Protocol. Spain does not share the ideas put forward in the Belgian-Franco-

Italian declaration.

Sweden

The basic position on this issue is that all necessary changes should be carried out in a coherent way and as soon as possible. Concerning the Commission Sweden thinks that each state should nominate a commissioner. If a system of alternating commissioners is introduced, the same rules must apply for all countries. A change in the weighting of the votes in the Council must be based on objective criterias in a way which predestinates the number of votes in future enlargements. Sweden has always been open to an increased use of qualified majority decisions and presented its own proposal at the latest IGC. The government is open to progress in this field, but adds that there is probably a rather limited space for such changes.

United Kingdom

The UK has made it clear on numerous occasions that internal reforms will be needed to make sufficient headway in enlarging the Union.

The experience of the UK presidency in the first half of 1998 acted as a catalyst for a review of the government's European policy. The notorious May European Council meeting was something of a cathartic experience for Mr Blair. He and his ministers are now beginning to realise that it is not sufficient simply to be more agreeable than the Tories, but that the institutional game of the EU has to be played hard and cleverly if results are to be achieved that approximate to the national interest.

Without expressing any obvious contrition for the Treaty of Amsterdam, for which it was woefully ill-prepared, the government supported the initiative of the Cardiff European Council to look again at questions of subsidiarity and legitimacy. For the British, these are only half-understood concepts in the European context, and proposals from the UK are unlikely to make much of an impression on the EU unless and until the UK takes a very much more positive attitude to joining the euro. Nevertheless, the debate about future institutional reform of the Union is likely to get going once the new German government is in place, and the UK will be a willing if cautious and at times naive participant in it.

2. Please summarize on the background of general attitudes towards EU-reforms the reaction of

your government to the Commission's communication Agenda 2000 of July 1997 and the recent legislative proposals of 18 March 1998 on:

Σ *the financial framework*

Σ *CAP-reform*

Σ *Reform of structural and cohesion policy*

Give further information of the reactions of parties, and pressure groups (agricultural lobbies, trade unions, entrepreneurs etc.).

Belgium

To date, no official position of the federal government about these points has been presented. In part A, points 1 and 2, positions of political parties, social partners and regional governments about these issues are mentioned.

Denmark

Change of the system of own resource, introducing a ceiling for national transfers to the EU

Denmark is against the entire idea of offering countries a rebate to the EU-budget. According to the Danish Government one cannot use a country's actual net-contribution as an indicator of its costs and benefits of EU-membership. This contribution does for instance not say anything about how much a country gains from the Single Market. Denmark fears that a continuation of the net-contributor-debate could paralyse the budget-negotiations.

CAP-reform

Denmark supports the core ideas of the proposed changes to the CAP.

Reform of structural and cohesion policy

According to Denmark EMU-members are eligible for cohesion funds, if they fulfil the basic criteria. Denmark supports the idea of reducing the number of regional policy objectives.

Finland

Financial framework

Financing the enlargement is seen as a challenging task. Finland supports the Commission's proposal to cover the expenses in the period of 2000–2006 without increasing the ceiling of 1,27% of GNP. More budget discipline and efficiency are therefore needed (Source:

Agenda 2000. VpJ 54 e §:n mukainen selvitys eduskunnalle 27.3.1998, Government report to the Parliament on Agenda 2000, March 27, 1998).

It is also noted that when assessing the consequences of enlargement, one should keep as a starting point a full-scale enlargement. (This seems to be a response for the Commission assuming as a basis for calculations the enlargement in 2002 by 5+1 members; Finland would perhaps also like to recall that the enlargement will have to proceed with this thinking.); (Source: *Agenda 2000. Suomi ja Agenda 2000 – EU mittavien uudistusten edessä*, Basic information on Agenda 2000 by the Finnish Ministry for Foreign Affairs, EU secretariat).

CAP reform

The Luxemburg Conclusions of the Presidency included mentioning that it has to be possible to practice agriculture in all parts of Europe. On Finnish initiative, this was completed by mentioning areas with specific problems.

The Commission's proposals concerning cereals (and oil plants) would considerably diminish the profitability of Finnish grain growing due to the clearly higher production costs and lower harvest rates than the EU average. The market price in this case would not even cover production costs in Finland. Thus, Finland requires special arrangements to take into account these (unfavourable) conditions. The proposals on milk are problematic, too: They cannot be accepted without corresponding compensations since dairy production is in Finland relatively much more important than it is in the EU on average. Changes proposed as to the suckler cow premiums are an inordinate demand, since Finland has not yet even reached the level agreed upon in its accession agreement.

As to the other proposals concerning, e.g., rural development and Less Favoured Areas, investment subsidies, environment, or setting a ceiling to the total amount of subsidies per farmer, Finland is ready to agree. Thus, in general lines, the CAP reform seems acceptable for Finland, but the production conditions in the country have to be taken better into account (Source: *Agenda 2000. Suomi ja Agenda 2000 – EU mittavien uudistusten edessä*, Basic information on Agenda 2000 by the Finnish Ministry for Foreign Affairs, EU secretariat).

Reform of structural and cohesion policy

For Finland, the proposals of March 1998 are basically acceptable. It is necessary to develop the current system: Simplification, more efficiency and centralisation are welcome, as well as measures to control the use of resources and to better combat their misuse. Finland supports the Commission's initiative to limit the share of structural and regional measures to 0.46% of the EU's GNP. The country-specific structural subsidies should be limited to less than 4% of the country's GNP. The coverage of population of the target regions can be reduced from 51% to 40% on the condition that this coverage may vary from country to country according to the size of their respective regional development problems. Finland is positive towards cutting down the number of objectives and community initiatives, and taking employment questions better into account. The proportion Finland receives of the structural funds, however, has to correspond better than it has done thus far to the unemployment rate in the country.

Of specific importance for Finland is the question of what regions will be included in the most important objective 1. Finland strongly supports the Commission's proposal to include the objective 6 sparsely populated regions into objective 1. Finland has also actively underlined the importance of transnational and cross-border cooperation and of reconciling (or making compatible) the structural funds and the PHARE/TACIS programmes (Source: *Agenda 2000. Suomi ja Agenda 2000 – EU mittavien uudistusten edessä*, Basic information on Agenda 2000 by the Finnish Ministry for Foreign Affairs, EU secretariat).

Further, Finland agrees on using ISPA funds primarily on the environment, transport and communications, including even information technology and the development of an information society. The need to avoid overlap is stressed, as well as the importance to ascertain that the receivers are capable of receiving and using the support they are given.

In a speech at the Finnish parliament on December 8, 1997 (discussion on Agenda 2000), Prime Minister Lipponen underlined the importance of emphasising employment, environment and human development in the reform of structural funds. He also stated that it is vital for Finland to find a solution to the problem of the objective 6. He was optimistic about the possibilities of including the Finnish objective 6

regions under objective 1.

As to the *reactions of other actors*, one might cite the "Grand Committee of the Parliament", responsible for EU affairs, which seems to be more open for allowing transition periods and special arrangements for the candidate countries, and also for considering the financial burden more broadly and on the basis of political judgement, thus being less restrictive as to its absolute limits.

The Committee notes in its statement concerning the Government report on Agenda 2000 that enlargement has priority over, or is politically decisive in comparison to, decisions in other policy spheres. Enlargement has to be a priority of Finnish EU policies. The Grand Committee stresses that in Finland, the reasons for which it is important to preserve the possibilities for practising agriculture include even security, environmental protection and reasons concerning rural landscape. As one way to make the CAP more effective, one should give consideration to a renationalisation of some parts of the CAP within the framework of common competition regulations (Source: *Suuren valiokunnan lausunto 3/1997 (SuVL 3/1997 vp – E 44/1997; Valtioneuvoston selvitys Suomen alustavista kannanotoista Agenda 2000 -asiakirjaan*, Statement by the Grand Committee of the Parliament 3/1997).

In the discussion at the Parliament on December 8, 1997 about the above report by the Grand Committee, the chairman of this committee, Mr Erkki Tuomioja, stated that one should not jeopardise enlargement by opposing the increase of the share of payments.

France

Regarding the financial framework, the European Affairs Minister acknowledged that France was as it were in the "line of sight". Its net contribution to the budget is indeed modest in relation to its national wealth as it receives considerable funding through the CAP which represents over half of Community spending. So Pierre Moscovici stated before the socialist members of Parliament that the ratio between the net contribution of Germany and that of France was 1 to 37⁷⁵. This does not entail that France is prepared to approve all the changes considered. Pierre Moscovici himself, who is probably more understanding than the majority of French officials, ruled out one of the solutions considered by the Commission in its report on the own resources

system: that of a generalized correction mechanism in favour of member States recording a negative budgetary balance along the lines of what exists today for the sole United-Kingdom⁷⁶. The minister thereby reflected the importance many French officials attach to the existence of a degree of community solidarity which is antagonistic with the concept of "juste retour". As for the President of the Republic, traditionally close to the farming community, he strongly opposed another proposal which is favourably viewed by the Commission: the co-financing of CAP spending, with member States covering themselves part of the direct aids paid out to farmers⁷⁷. During the Ecofin council of 12th October, the French Economy and Finance Minister, Dominique Strauss-Kahn, took the same stand⁷⁸. The socialist government originally seemed less adverse to it. But it obviously did not want to turn this into confrontation with the President, of the opposite political side, no more probably that it wished to let Jacques Chirac emerge as the sole advocate of the farming community. The FNSEA indeed rapidly expressed its antagonism to the proposal of the Commission⁷⁹. In order to solve the problem of the imbalances in net contributions, France is however favourable to an extension of GNP resource and to a tighter control of expenditure (probably more under the cohesion policy than on account of the CAP...)⁸⁰. In any event, the Deputy Minister in charge of European Affairs and his "cabinet" insist on the fact that the preferred solution should be included into an overall agreement covering all the issues dealt with under Agenda 2000⁸¹.

The importance of farming issues in France does not facilitate the analysis of reactions to the CAP reform put forward by the Commission. It has often been awkward to figure out the actual feeling of French officials beyond the political discourse geared to farmers. Today this is compounded by the problem of the cohabitation at the head of the country between a right-wing President and a left-wing government who do not always see eye to eye as to the future of French agriculture. Last, it is difficult to define the attitude of France without getting down to the details of the various farm products. It nevertheless seems possible to put forward a number of assertions. Firstly, French officials are aware that the CAP cannot continue as is, not only on account of the enlargement of the Union but also because of future negotiations within WTO (World Trade Organization). The previous government under the leadership of Alain Juppé is in fact said to have unofficially approved the

idea of a furthering of the 1992 CAP reform whose principle was to lower price supports to farmers and to compensate them with direct payments. The problem is that under its Agenda 2000, the Commission admittedly takes up the same idea, but this time the proposal is to compensate only partly for price drops. Moreover, when the Agenda 2000 and the more specific legislative proposals of 18th March 1998 were tabled, the Agriculture Minister in office, Louis Le Pensec, was all the less likely to approve of them as he appeared less eager than his predecessors to secure the competitiveness of French farming products on external markets that the intended price reductions precisely contributed to increase⁸². Last, French officials can barely ignore the negative reactions of the professional community who have shown in the past that they have ways and means to make themselves heard⁸³. Luc Guyau, President of the FNSEA, currently also head of the Comité des organisations professionnelles agricoles de l'Union européennes (COPA) spoke in favour of an "integral compensation for the drop in farming prices"⁸⁴.

Finally, several interviews with administrative officials indicate that France is not dissatisfied with the proposals on cereals. No doubt the drop in guaranteed prices is only partially compensated by direct payments but the price levels on world markets should be higher than the guaranteed price and therefore protect the income level of grain producers. Indeed, a representative of the professionals, the President of the Association générale des producteurs de blé et autres céréales (AGPB) admits that "there is no credible alternative, at any rate in the sector of major cultures, to this new development in the CAP"⁸⁵. On the other hand, France is not satisfied with the proposals on milk quotas and on beef.

France benefits markedly less from the structural and cohesion policy and its reactions to the Commission's proposals bear witness to this. There again, it is on the basis of interviews with officials at the Quai d'Orsay, at the SGCI and at the Permanent Representation of France that we attempted to outline the position of France. It seems rather favourable to the reduction of regional policy objectives and to the concentration of funds on a smaller percentage of the Community territory, even though this would mean that Corsica and the Valenciennes region would no longer be eligible for objective 1. It must be said that the relatively low mobilization and organization of groups involved lowers the resistance France could put up against the proposals of the Commission⁸⁶. On the

other hand, France should, in the balance, benefit from funds under the new objective 2 which aims at supporting the economic and social reconversion of problem-stricken areas including in the more prosperous Member States. The highly densely populated and high unemployment level urban areas being eligible, the French outer city areas should benefit from this godsend. Yet, as we have already mentioned, France is critical of the increase in the overall envelope over the 2000–2006 period. In order to justify its position, it argues that it would be wiser to restrict the funds granted to present-day member States so as to be able to increase the envelope earmarked for future member States. Moreover, it considers logical that countries members of the Euro zone should no longer benefit from the cohesion funds whose purpose is to assist the poorest member States in joining the Economic and Monetary Union (EMU).

Germany

In a first assessment of the Commission's legislative proposals of March 1998 the federal government stated that the proposals to reform the Common Agricultural Policy (CAP) will not be sufficient. The Commission's position to maintain the 1,27% ceiling/EU-GNP of the EU budget and 0,46%/EU-GNP for structural and cohesion funds until 2006 corresponds with the German position. However, Bonn expects the Commission to stay significantly below these ceilings. The Länder and the Bundesrat reacted in summer 1998 and the Länder Prime ministers initiated a decision adopted by the Bundesrat at the 25th of June 1998.

Financial framework

The creation of a fair and just financial framework, which has to modify the 'unjustified' German position

as by far biggest net contributor to the EU budget is made a pre-condition for the adoption of the reform package. Chancellor Kohl, foreign minister Kinkel and the minister of finance Waigel accept Germany's role as biggest net contributor. Still, the discrepancies to other rich EU member states in terms of net payments and the special role of the UK is no more acceptable. The recent Spanish initiative for reform is furiously rejected by the minister of finance. According to first calculations of the ministry Germany would then have to pay after the year 2000 up to eight billion DM more to the EU budget. The German net contribution in that case would increase from currently 22 billion to 39 billion DM (FAZ, 13 July 1998).

The Ministry of Finance has elaborated in 1997 options for a more fair system. The basic idea for reform is to introduce a fixed ceiling of acceptable burden into the EU-budget. This ceiling links the net-contribution to the EU-budget with the national GDP of the member states. The so-called "Kappungsmodell" (Handelsblatt 24.7.1997 and FAZ, 14.10.1997) shall return all net-contributions exceeding 0,3% or 0,4% of the GDP to the member states. These returns should be financed by all member states according to their GDP-share in the EU-budget except the favoured member state. For the calculation of net-payments only two EU-own resources should be taken into account, the GDP-based and the VAT-based revenues. First calculations using the 0,4% limit came to the result that Germany would receive a release of 7 bn. DM in 1997. The German net payments, however, would value 15 bn. DM, i.e. Germany would maintain the highest share in net-contributions to the EU-budget. This model circulated already in autumn 1997, but only in March 1998 Mr Waigel found partners and support on the European level. Together with his colleagues from the Netherlands, Sweden and Austria Mr Waigel wrote a letter to the President of the European Commission Mr Jacques Santer in which the Ministers asked the Commission to present its paper on the system of the EU budget already in October 1998 (after the federal elections). They stressed the need to come to a more just, flexible and all member states encompassing solution. The objective of the German model is to regulate the perceived implications of the high share of EU-transfers in the federal budget for the German balance of payments and for the growing negative consequences for the room of manoeuvre for the financial policy. Moreover, the German position aims

at finding a just "burden sharing" (FT, 21.7.1997), as Klaus Kinkel put it, and a general and comprehensive model for all member states. The decision of Fontainebleau in 1984 to grant a special treatment to the UK hence is put on the reform agenda by German government representatives.

During the meeting of the Länder Prime Ministers in Bonn on 8 June 1998 the German Länder stressed the need to reform the approach of the EU-budget and to find a more just model (Cf. Conference of the Prime Ministers of the Länder (PMK), 8 June 1998 in Bonn. The prime ministers referred to the Bundesrat, from 12 November 1997). The Bundesrat adopted a decision based on the declaration of the Conference of Prime Ministers and welcomed the Commission's approach to maintain the 1.27% ceiling as well as not to exhaust this framework.

The Commission's proposal to keep the 1,27% ceiling is generally agreed by all German political actors. Nevertheless, the Commission's position to basically preserve the budgetary system for the period 2000–2006 (Santer 1-package) is rejected by the German federal government and the Länder. In particular, the Bavarian government emphasized that the Commission's proposal is an "affront" against the federal government and the Länder. (Memorandum of the Bavarian State Government concerning Agenda 2000, dated 16 September 1997).

The discussion about net-payments is, however, mainly a debate about objectives and aims in which sectors and to which ends to spend EU-funds. The current German policy of the ruling CDU/CSU and FDP-coalition focuses on the net-payments and hence mainly on the income side of the EU-budget. On the side of expenditures the federal government is under very heavy pressure from the lobbies benefiting from CAP and regional funds, i.e. the agricultural lobby and the German Länder. In contrast the social democrats already declared to support radical reforms of Common Agricultural Policy as a fundamental approach to reform and control the EU budget. However, the broad consensus inside the German political class in favour of creating a more just EU-financial system should indicate to observers from other EU-member states that the strong German approach is not a mere flash in the party-campaigns for the federal elections.

CAP-reform

The Commission's proposals to reform CAP is rejected as unacceptable by the Kohl government and the coalition parties (CDU/CSU and FDP). The federal government, however, accepts the necessity for CAP reform; nevertheless it sought to limit considerable structural and social problems for German farmers and the agricultural sector. The 1992 MacSharry-reform is considered as generally successful, and according the ministry for agriculture and the federal government should be pursued cautiously. Surplus production hence should be contained by quantitative production restrictions such as production quotas, which should also be implemented by the CEECs.

The main objective of CAP reform should be to control and even reduce CAP share in EU budget. However, the Commission's proposal would increase CAP costs significantly and even worsen the German position as net contributor. First calculations indicated that Bonn would have to pay more than 800 m. DM in addition to finance the costs of CAP-reform.

The German approach is to strictly maintain the agricultural guideline. A recent initiative of the federal minister of finance Theo Waigel, which is not in correspondence to the position of the ministry of agriculture (and the agricultural lobby BDV) aimed at introducing national co-financing for subsidizing the agricultural sector (FAZ, 28.8.1998). As his colleagues in the Council the German minister for Agriculture, Jochen Borchert fought for German agricultural interests, in particular to maintain subsidizing the main German agricultural products (milk, beef). The Bundesrat pledged for a modification of the Commission's proposals, which are considered not acceptable for German farmers.

The coalition parties CDU/CSU and the FDP reject the Commission's proposal and demand fundamental modifications in the Commission's approach. The consequence of the agenda 2000 approach would be that 50% of German farmers would have to stop their production while the costs for CAP would increase. The Liberals demand to reduce the surplus production of milk and beef by reducing quota for milk and direct payments for beef producers (FAZ, 21 July 1998).

However, the federal elections might lead to a change of this German approach. The Social Democrats already announced to fundamentally reform CAP. The Greens, as second opposition party, are also in favour to reform CAP into a modified market oriented

but ecological agricultural policy (FAZ, 19.6.1998 and FAZ 11.7.1998).

The agricultural lobby (Deutscher Bauernverband – DBV) furiously rejected the agenda 2000 communication as well as the Commission's legislative proposals to reform CAP. The DBV stated that if the Commission's proposal would be adopted the German agricultural sector will lose about 300.000 jobs, German farmers would lose up to 4 billion of their earnings, and the administration would become even more complex (Stellungnahme des Präsidiums des DBV vom 21.4.1998 "Agenda 2000 so nicht").

Reform of structural and cohesion policy

There is a widespread consensus among German political, economic and academic elites of the need to reform the EU's structural policy. German and European institutions use the argument that the effects of eastern enlargement on the structural funds will be limited by the capacity to absorb EU-funds to a maximum amount of 4% of the GDP of the candidates. The required financial means for co-financing and the administrative and structures to implement and monitor the programmes would exceed the capacities of the candidates.

The basic policy objective of the federal government and the coalition parties is expressed with the key word "increasing efficiency by concentration". To achieve this objective the government started in Spring 1997 to formulate a common position including 3 main aims:

(1) The dramatic reduction of regions subsidized by the structural funds; (2) to reduce the number of inhabitants subsidized from the current ca. 51% of the EU-citizens down to 35–41%; (3) the strict implementation of the distribution criteria of structural funds, i.e. the 75% criterion shall help to achieve this target.

The principle of subsidiarity should be enhanced and the administration requirements of the EU programmes reduced. The member states should decide themselves which region should receive EU-structural funds and on the criteria of this choice. The responsible minister for economics, Günther Rexrodt, rejected the Commission's approach which would include to accept the Commission's influence in the definition of subsidized regions. On the European level only the plafonds oriented on 'per capita'

subsidies for each member state should be decided. The community programmes should be reduced dramatically or completely abolished and demands to co-finance the European programmes should be increased to 50% of national resources.

The German Länder are directly involved in the implementation and administration of the European structural policy and the national co-financing of the programmes and this is the reason why the Länder and the federal level have to define a common German position on the reform of the structural funds. The Conference of the Länder Prime Ministers decided on 20 March 1997 during their conference in Berlin on a common position entitled "Gemeinsame Zielvorstellungen der Länder für die Neuordnung der europäischen Strukturpolitik, der Beihilfenkontrolle und der Gemeinsamen Agrarpolitik der EU". The Länder and the Bundesrat stressed the need to concentrate and tighten the funds and their regional distribution by maintaining the financial framework of 0,46% of the GDP for the structural funds. The targets and the main focus of the structural funds should be concentrated on just a few geographic targets and policy objectives, i.e. the objective 1 regions or the focus on employment policy and policy for rural areas. The structures and procedures of administration should be reduced, the expenditures of controlling and monitoring the programmes should decrease. However, in particular with view on the new objective 2 the German Länder asked for modifications. Despite the Commission's security net, which was invented to prevent extreme losses of fund, the German regions would lose more than the average. As a sign of subsidiarity, the Länder (respectively the regions) should become the main units responsible for the choice and definition of instruments and for the control of programmes. This approach to decrease costs and administrative expenditure is a major demand of the Länder.

The major interest groups are subscribing to the federal governments and the Länder-positions. The position papers by DIHT and BDI commenting the agenda 2000, however, asking for more concrete calculations and proposals and some details are, moreover, rejected, such as the proposal to include the urban districts with major economic and social restructuring needs because of a loss of economic activities into the "new" objective 2 (Bundesverband der deutschen Industrie e.V. (BDI) & Bundesvereinigung der Deutschen

Arbeitgeberverbände (BDA), Stellungnahme zur Agenda 2000/Osterweiterung der EU, Cologne 14 November 1997 and Deutscher Industrie- und Handelstag (DIHT), DIHT-Positionspapier zur EU-Osterweiterung/Agenda 2000, Bonn December 1997).

Ireland

Financial framework: no position taken as yet on altering system of own resources. It considers Commission report (October 1998) as the beginning of a technical examination of EU finances and awaits clarification of figures and detailed presentation of options. However, whilst recognising the Commission's concerns, it holds that the current system operates reasonably well and that the options presented by the Commission do not satisfy even the net contributors. It strongly opposes as a matter of principle any co-financing of part of the CAP as a means to address imbalances. It argues that this would also disproportionately affect Ireland and add to the difficulties faced with regard to CAP and structural fund proposals.

The government position on the ceiling for own resources is that, first and foremost, this should be adequate to meet the needs of enlargement and internal policies - the ceiling of 1.27% GDP is accepted as a working hypothesis although the government has questioned whether this can also accommodate enlargement.

CAP reform: whilst accepting the need for policy reform, it argues that this must not be at the expense of a small number of member states or sectors. It strongly opposes proposals for price reductions and increase in direct payments as these would disproportionately affect Ireland (due to its heavy reliance on milk and beef production). Proposals for reform of the beef sector are considered unbalanced, in particular with respect to intensive and extensive production whilst price reductions of 30% are considered excessive. There is strong opposition to the proposed distribution of milk quotas which are deemed discriminatory towards Ireland and the low levels of compensation proposed. Consideration of proposals for funding rural development and infrastructure will be affected by the issue of regionalisation (Objective One regions receive more favourable treatment). Here, there is a concern that efficient schemes should be retained.

Structural and cohesion policy: The government's

overall objective is to maximise transfers under Agenda 2000. Ireland has traditionally been considered as one single region for Structural Fund purposes and, having exceeded the threshold of 75% of EU GDP, will no longer qualify for Objective One status as such. Arguments for a generous transitional arrangement with regard to funding for existing Objective One areas are based on continued need for investment in infrastructure and human resources and the need to consolidate progress already made. Transitional arrangements refer to both the volume of funds and the timeframe (seven years is sought) for the phase-out. A second objective is to seek a solution to the question of regionalisation. The issue of subdividing the country into two regions for the purpose of EU funding has been considered and, in November 1998, the government agreed to submit plans to the Commission for two regions - one of which would, it argued, meet the criteria for Objective One and the other which would exceed this. This plan has implications not just for overall levels of EU funding, but of equal importance, the operation of regional aids (and hence the attraction of foreign investment) in Ireland given that higher levels of assistance are permitted in Objective One regions.

Although Ireland will not qualify for the Cohesion Fund in the future it argues that participation in the final phase of Economic and Monetary Union should not disqualify a country from access to the fund.

On CAP reform, the farming lobbies have strongly protested against EU proposals and against the government for alleged failure to address the current crisis in farming. The publication of detailed statistics on the volume and distribution of EU receipts to farmers (by EUROSTAT and the Court of Auditors) could in time lead to swings in public opinion against the current system of farm supports. Divisions within the farming community on the question of CAP reform have not appeared and the main representative organisations frame their concerns in the context of defending rural communities. The issue of regionalisation is sensitive for the membership of political parties, in particular the leading coalition party, Fianna Fail. There has been intensive lobbying for regionalisation on the part of non-party groups and organisations representing, in particular, the Western regions. The Industrial Development Authority, a semi-state body with responsibility for attracting inward investment, supports some form of regionalisation. IBEC supports a national development plan which has a strong regional focus,

is inclusive of all regions and which aims to promote balanced regional development.

Portugal

The Portuguese government as well as the main political parties are deeply concerned with the prospects for the financial framework for 2000–2006. As soon as Agenda 2000 was presented, the Portuguese government stressed its global disagreement with the Commission's proposals. It pointed out that it is not clear how many applicant countries will be in the first wave, that it is unclear what transitional periods will be agreed upon, and what policies will be adopted and with what financial costs. Furthermore, it is rather unpredictable if the economies of EU Member States grow at 2.5% per year. The same applies for the forecast for applicant countries (4%). Given all the uncertainties, the Portuguese government considers that it is not possible to determine if it is possible to maintain current policies and pay for enlargement without increasing the budget beyond the 1,27% GNP ceiling. The Commission's proposals should therefore consider the possibility of increasing the Union's budget.

The Portuguese government is still studying the proposals the change the own resources system. Concrete proposals will be put forward soon. As far as CAP is concerned, the main problem is the prospect of re-nationalization, which could worsen the already difficult situation of Portuguese agriculture. Here, there is unanimity among the government, political parties and agricultural lobbies.

The Portuguese government is not at all willing to accept limited access to cohesion funds for non-euro countries. Portugal has made quite an effort to meet the convergence criteria and does not accept added costs for achieving them. GDP is still above the 90% threshold and Portugal must therefore remain eligible for cohesion funds.

As far as structural funds are concerned, Portugal faces two major problems: the phasing-out of the Lisbon region, which is now above the 75% threshold of objective 1, and the re-definition of regional policy objectives. The phasing-out of Lisbon is under discussion and the basic argument is that the region plays an important role in the overall development of the country. The Portuguese government is not arguing against the threshold itself, even though the GDP criteria hide very different realities inside the Lisbon

region. The main point is that Lisbon is the engine of the Portuguese economy and a drastic cut in funds will affect the entire economy and not just the region.

The Portuguese government is concerned with the reduction of the number of regional policy objectives, particularly with proposed objective 3. Although fully supporting the need to fight unemployment, Portugal fears that objective 3 funds will mainly target regions with high levels of unemployment, which is not the case in Portugal. The Portuguese government sustains that granting conditions for the maintenance of low levels of unemployment and improving the employability of regions and countries is also a part of fighting unemployment. The new objective 3 should therefore create the conditions for active employment policies.

Spain

Spain is not in favour of introducing a ceiling in national contributions and takes the position that any reform of the system of own resources should go in the direction of increasing the progressiveness of the system.

Spain is in favour of going on along the same lines set up in the reform of '92, with a full compensation via direct aids to the reduction in price supports.

Spain does strongly oppose the idea of limiting the cohesion fund to non-participants of the EMU; however, it is in favour of reducing the number of regional policy objectives along the lines proposed by the European Commission.

Agricultural lobbies are very active in opposing any reform and have a strong leverage of mobilising parties, unions and public opinion to press the Government against the reforms.

Sweden

The government has to the Swedish public pointed out that it is guided by three general goals in the work with EU-reforms: Firstly, the Union has to modernise and adapt to the requirements of today, and it must come closer to its citizens. Secondly, we have to create the conditions for an enlargement based on fair terms. Thirdly, reforms are in our (Swedish) own interest, since our country is one of the biggest net-contributors to the budget, and Sweden wants to cut down the contribution to a more reasonable level (Gunnar Lund, Secretary of State, Foreign Ministry,

April 1998).

Considering the Swedish interest in far-reaching reforms of several areas (especially the CAP) and the ambition not to create any obstacles to the enlargement process, the government wants to act as a driving force in the negotiations on the reform package. The aim must be to reach an agreement around the end of the year, to give the EP time to deal with the package before it is dissolved in the spring of 1999.

The Swedish position concerning the proposals of 18 March, as presented in a report from the Ministry of Foreign Affairs (promemoria 1998-04-30) are, summarised, the following:

The budget ceiling should not exceed 1,27% and should be on that level even after an accession with all the candidate countries, regardless if this occurs within the next budget period or later. In order to obtain a strict budget discipline it is important to continue to use the construction with a ceiling for the expenses over a number of years, i.e. a financial perspective. Therefore, Sweden welcomes the Commission proposal of a seven years financial perspective and that the present division of categories is maintained. However, the Commission proposal will lead to a ceiling which is too high for EU-15. The financial perspective should be established on a lower level.

Concerning the "income side" of the budget, the Swedish government intended to give its opinion after the Commission has presented a report on own resources.

Sweden wants to see a thorough reform of the CAP, more consumer-oriented and adapted to the market economy. It is at the same time important that an ecologically sustainable development will become an integrated part of a CAP reform. The most important methods to obtain the purposes is to lower price levels and import fees, abolish export subsidies and do away with quotas and other limitations of production. A transition period with temporary direct support can be accepted to facilitate a profound reform. The proposals in Agenda 2000 and those of March 18 are a step in the right direction, but not far-reaching enough. It is the opinion of the Swedish government that compensation for lower prices will be seen only as a support to adapt to the changes. Full compensation should not be given.

The general lines of the Commission proposals on structural and cohesion policy are supported by

Sweden. An important ground is that regional and structural projects will give an added value in relation to national regional policy, and that the subsidiarity principle will be applied. Sweden supports the strengthening of the environmental aspects, and the proposals includes many valuable parts in this respect. The structural policy should be simplified and made more efficient, and one important part of this is to get a more clear assignment of the responsibilities between the member states and the Commission. The changes should be combined with a lower total budget for this area.

The proposed integration of Objective-6 into the new Objective-1 is a good starting point for further discussions. Sweden wants some changes of its present Objective-6 areas. The government supports the proposal for a coherent Objective-2 but thinks that the criterias have to be carefully scrutinized. The proposal to cut down the Community initiatives from 13 to 3 has full support from Sweden.

The strongest criticism against the government's position on reforms is coming, not surprisingly, from the influential agricultural "lobby", LRF (Lantbrukarnas Riksförbund). The reason is mainly the government's proposal to the Commission to cut the price of milk to farmers with 30 percent.

United Kingdom

The following statement by the Foreign Secretary summarises the government's current position:

"Britain comes eleventh in terms of per capita income in Europe and is the fifth largest net contributor, even after the rebate. It is plainly in our interest to maintain realism in the European budget. If the European Union retains the same budget and if that budget is spent in more member states as we enlarge, it arithmetically follows that less will be spent among the existing member states. If we are not willing to face that, we should not pretend that we are serious about enlargement. In any event, reform of the CAP is long overdue. It cannot be sustainable to continue to spend over 50% of Europe's budget on an industry in which 4% of the workforce are employed".⁸⁷

The new farm minister, Nick Brown, is not expected to waiver from this objective. As his predecessor, Jack Cunningham, pointed out: 'the best way of keeping member states' contributions to affordable levels is to ensure firm control of the Union's spending. We hope that Germany will join us in pressing for

fundamental reform of the CAP, which will bring savings in the longer term'.⁸⁸

At a farming conference, Mr Cunningham drew a picture of a future CAP. 'In 2008', he said, 'agricultural production in the EU of 21 or more members will be very different from today – no longer subsidised, except in specific areas to preserve or enhance the environment and contribute to rural economies and enterprises'.⁸⁹

For the House of Lords Select Committee on the European Communities, the proposed Agenda 2000 reforms do not go far enough. It noted that the UK government had 'welcomed Agenda 2000 as "a relatively modest step" in the direction of competition and decoupling of support from production, a direction which they much favoured'.⁹⁰ When the Committee questioned the government on its views on compensation payments the government argued that 'payments should be degressive, time-limited and decoupled from production'. The Committee noted that the Ministry was optimistic about the UK's ability to compete in world markets, and favoured greater liberalisation than that envisaged by the Commission.

3. Please comment on the formation of interests in your country as far as EU-reforms are concerned. Is this more fluid and in progress or already fleshed out and rather detailed?

Belgium

The reforms both of the structural policy and the CAP obviously concern certain regions and actors. Both the Walloon and Flemish authorities have papers outlining in detail what the results of both reforms mean for their region and where they would like to see the Commission's proposal be modified. On Flemish side, a common paper by the Flemish authorities and the social partners was presented. On Walloon side, there exist two separate papers, one by the authorities, and one by the social partners. So far this kind of paper has not been presented by the federal authorities.

A number of political parties also dispose of papers in which their position on the proposed reforms are presented. The two most important in this respect are the papers presented by the Francophone Christian Democrat Party (strong opposition against the reform of the CAP) and by the Francophone Socialist Party.

Papers sent by other parties were more general. A number of parties still have to define their position.

Denmark

Denmark's general preferences have been fleshed out before the launching of Agenda 2000. Indeed, the Government opted for a pro-active strategy where it aimed at developing its own ideas at such an early stage that it was ready to influence the Commission, once it started to write its Agenda 2000. That this strategy was successful can be seen from the fact that Agenda 2000 was generally in accordance with Danish preferences (except for the initial proposal only to open negotiations with the 5+1).

At the same time – almost two years before the publishing of the Agenda 2000 – the MFA also started to consult various interest groups, such as farming organisations. These consultations were used to develop the Danish position, but obviously also to build an internal consensus. The early consultations are probably one of the reasons why the actual Agenda 2000 has not stirred a substantial debate in Denmark. As a matter of fact, no interest group has turned against the reform complex.

Finland

It seems that these are rather fluid for the time being.

France

As for institutional reforms, the position of France is strong: It has to be a pre-condition to enlargement. In order to reach this objective and avoid reiterating the intergovernmental conference scenario, it could however show some degree of flexibility as to the nature of the measures considered and it already advocates changes that are apparently easy to implement. Moreover, on the basis of the accession of EFTA countries, the French authorities seem determined to help promoting the discussions on the subject before conclusion of the negotiations, the pressure for enlargement being then so strong, even if this implies starting them in relatively informal contexts.

As regards Agenda 2000, the positions are getting finalized and toughened. French officials know that it will be difficult to avoid an increase in the net contribution of France and that the continuation of common policies will require a measure of change. However for agriculture, the mobilization of the

farmers' community makes evolutions difficult. Today, France is therefore markedly opposed to CAP co-financing.

Germany

The German position is very complex due to various actors and decision making levels. The ruling coalition, the ministries, the federal level and the Länder, the interest groups, all these actors pursue different and sometimes contradictory interests.

There are some fundamental differences inside the federal government, in particular between the foreign ministry and the ministry of agriculture (BML). Foreign minister Kinkel demanded to adopt a realistic position in the question of CAP reform. The maintenance of CAP under current conditions and the reluctance of any reform will not be the last German word. The foreign minister often stated that the agricultural policy is not the centre of German agenda 2000 position and the agricultural sector should not be overestimated.

This conflict became also visible in the conflicting positions of the industrial lobby and the agricultural lobby regarding the Commission's agenda 2000 communication and the subsequent legislative proposals.

Greece

The financial framework sketched for the implementation of Agenda 2000 priorities has been welcomed, on the assumption that in fact it amounts to a continuation of Structural Funds financing for Greece at a level comparable to (or even higher than) successive previous structural policy instruments. In fact, the media, unions and entrepreneur associations have integrated the expectation of ongoing EU funding for the period 2000–2005 in their overall assessment of economic perspectives; most positions adopted on Greece joining the Euro in 2001 (which is the official target, as yet unchallenged by anyone other than frontal opponents of the EU) have taken such financial support as granted, as an integral part of future EU participation.

In fact, there are in Greece extensive discussions as to the share-out of future EU structural funding among sectors, activities, even at a regional basis.

Legislative proposals for the Structural Funds reform and for new checks-and-balances in cohesion policy have not obtained as yet detailed attention. It is only

at a technical, Ministry services, level that the impact of tighter rules on the flow of funds is faced.

CAP-reform is the object of heated but intermittent debate, whenever subsidies schemes to one producer or another are trimmed, or when wholesale cases of misapplication of CAP rules or outright fraud are uncovered and end in the E.C. clawing back subsidies. But CAP references on discussions (as well as references to GATT/WTO consequences) remain highly politicised and seldom focus on facts.

Ireland

EU-reforms: the formation of formal Irish positions is largely reactive and the government has tended not to propose initiatives. The process is rather fluid and informal as can be seen in the debate over regionalisation where in November 1998 the government decided to submit a case for treating the country as two regions for the purposes of Agenda 2000. Detailed policy positions on questions of long-term institutional reform, own resources and EU entry terms await progress in negotiations. On Agenda 2000, the broad outlines of policy and negotiating objectives have been set out in government statements to the Houses of Parliament.

Within the houses of parliament, committees play a relatively small albeit increasingly important role in policy-formation. The Joint Committee of the Oireachtas on European Affairs is preparing reports on both Agenda 2000 and enlargement and has reported on the question of institutional reform.

Portugal

There is a clear awareness of the importance of Agenda 2000 and that negotiations will not be easy. Furthermore, there is a feeling that Portugal is probably one the countries that can lose more as a result of the new financial framework. In these circumstances, the Portuguese government will have to be very cautious during the entire process, carefully choosing the points to bargain with. Thus far, there is one thing that the government will not accept: limiting cohesion funds for countries outside the club-euro. This is non-negotiable. The Portuguese government will always stress that Portugal, along with the other cohesion countries, is not willing to be the only one paying for enlargement. Positions will evolve with the evolution of the negotiation process.

Spain

The formation of interest in Spain regarding EU policies is very well developed in different policy areas and (Autonomous Communities) regions play a very important role on it.

Sweden

There is no tendency of forming "new alliances", since the political parties and most organisations agree, except for some details, with the government of the need to go further with the reforms than proposed by the Commission.

However, future proposals on institutional reforms are likely to cause a more intense debate, since that will deal with the question of the power relations between member states and institutions.

United Kingdom

Significant interests are generally in favour of the government's policies.

The National Farmers' Union is nervous that Commission measures will discriminate against big farms. The NFU argues that compensation payments should not be made degressive until agreed in the WTO. It worries that Agenda 2000 would force the EU to adopt a needlessly defensive stance within WTO, and that another round of CAP reform will be required soon after Agenda 2000.

The NFU is also opposed to including both urban and rural areas in Objective 2. Unemployment is artificially low in rural areas because the young move to the towns for education and work. Special treatment is therefore required to assess rural unemployment.

The Country Landowners' Association notes that only the arrival of true competition will reveal which sectors of the farming industry will really flourish.

4. Looking at the debate on enlargement and EU-reform in your country what is the most striking observation or trend since the tabling of Agenda 2000 since July 1997?

Belgium

The absence of a general paper by the federal government commenting on and giving the positions of all questions raised by the enlargement and Agenda 2000.

Denmark

The most striking observation is probably the consensus which has characterised the entire Agenda 2000 debate. As mentioned above no major interest groups have turned against aspect of Agenda 2000. Since the referendum on Amsterdam it also striking how the public debate on enlargement-Agenda 2000 has come to an abrupt halt. It remains to be seen, whether this will also be the case in the future. Most likely, the 'no-movements' will watch the forthcoming institutional changes very carefully and compare the changes, which were issued during the referendum. During campaign especially the Prime Minister made the case that the 'integration train' had come to a halt with Amsterdam.

In parenthesis it should be noted that Denmark will most likely not hold a referendum on the institutional changes, since institutional change is not looked upon as a transfer of sovereignty. Should the next IGC touch upon new areas of integration (for instance the incorporation of 'Grundrechte'), a new referendum cannot be excluded. With the recent Amsterdam referendum in mind, the present Danish Government will however do its utmost to avoid yet another referendum.

Finland

Most striking observation/trend in the debate on Agenda 2000 might be, on the one hand, the absence of firm views on institutional reform, and, on the other, the firm views on and the central importance of agriculture.

France

Looking at the debate on enlargement and EU reform in France, what is most striking is the determination of the French authorities to protect Community integration. France is often suspected by applicant countries to be reluctant to enlargement, and admittedly it has not always been enthusiastic about it. But it seems that if the authorities secure guarantees as to the effectiveness of Community institutions and as to the continuation of common policies, it will readily accept the accession of new European countries.

Germany

The most striking observation is the inconsistency of the German approach under the Kohl government.

The inherent conflict between perceiving oneself as advocate of eastward enlargement and the candidates, the strict claim to reduce German contributions to the EU budget and the reluctance to adopt a constructive position on CAP reform is becoming more and more visible.

This inconsistency might fundamentally change with the taking over of the new red-green federal government. The coalition agreement indicated that the new government will actively further the enlargement process, fundamentally reform CAP and hence try to achieve a fairer financial burden sharing by reforming the expenditure side of the EU budget (cf. Coalition agreement, signed 20 October 1998, point XI.2).

In Germany the debate until the federal elections had been very much characterized by the election campaigns in the Länder Bavaria and Mecklenburg-Vorpommern and for the Bundestag.

First, the Kohl government is not in a position to indicate preferences or positions on specific topics especially in regard of agenda 2000 topics which might bind the successor government or which might have to be modified by a new government. Therefore, German officials speak of a very small time window of opportunity between November 1998 after the new government will have defined their position to agenda 2000 and March 1999 before the campaign for the EP elections and the negotiations about the new president of the European Commission will begin. This means until November there will be no comprehensive German position on agenda 2000 in toto or on fundamental topics.

Second, the enlargement and agenda 2000 issues were taken as campaign topics. The conservative CSU-government in Munich used two aspects for its campaign: a) targeting at the votes of the Sudetendeutsche, which after World War II settled mainly in Bavaria, the bilateral Czech-German problems are linked to the negotiation on the Czech accession to the EU; b) targeting at the votes in rural areas the reform of CAP is vehemently rejected. This second point is also relevant for Mecklenburg-Vorpommern.

Third, in particular agenda 2000 was used as an instrument to mobilise the party clients of the CSU and as an occasion for an internal coalition dispute between the CSU and the FDP on German European policy in spring 1998.

However, the linkage between bilateral problems with the direct neighbours, Czech Republic and Poland, and the accession to the EU is not only rooted in election campaigns. There have been earlier attempts by representatives of the Vertriebenen to use this process of eastward enlargement for putting pressure on Warsaw and Prague. However, the federal government, particularly the foreign ministry, refused to link bilateral questions with European policy. Hence what is remarkable is the fact, that CSU-officials (one of the coalition parties in the federal government) back these attempts of a minority. (see FAZ, 2.6.1998, Stoiber gegen EU-Beitritt 'ohne Wenn und Aber').

The change of the federal government as result of the federal elections will not fundamentally change German European policy making in general and the German enlargement policy in particular⁹¹. The new government will try to protect the German labour market from CEEC migrants with help of long transition periods.

However, some new positions with regard to agenda 2000 topics are very likely. The new government confirmed the German ambition to finalise agenda 2000 negotiations until March 1999. The new government will try maintain the German attempt to achieve a fairer burden sharing between the member states while being more open for a fundamental reform of CAP. Moreover, the new federal government will very likely try to kick off a new effort for institutional reform during the German presidency.

Greece

(a) "Income-side" E.U. budget corrections not discussed; of course, a negative position is expected if the overall availability of E.U. funding is to be diminished.

(b) No.

(c) Officially Greece is set in joining the Euro/EMU third phase; thus a limitation of cohesion funds availability on the basis of this criterion is not even discussed. Were the drachma to remain in a "pre-in" mode for longer than officially expected, priorities would almost certainly change.

(d) Yes. Emphasis on development lag.

(e) Not discussed in depth. Increasingly academic and media voices in favour of direct payments to producers, because of the nature of Greek agriculture

and the pre-eminence of small-holders/marginal and sub-marginal producers.

Ireland

There has been and is no public debate on EU enlargement. General support for enlargement has been expressed in parliamentary debates where this has emerged (i.e. in the context of debates on European Council meetings and the Amsterdam Treaty). Public debate on Agenda 2000 has largely focused on the issue of regionalisation while that on CAP reforms per se has been somewhat overshadowed by the current crisis in farming (the extent, depth and solutions to which are disputed). On EU receipts, it is accepted that current levels of receipts will decline. The regionalisation debate did not lead to any detailed discussion of changing regional administrative structures - this may be raised in future discussions with the Commission and should be seen against the background of traditional reluctance to devolve significant power to the regions.

The Agenda 2000 debate is also seen in the context of other policy developments at EU level namely those on corporate tax and state/regional aids (and, possibly, the debate on funding public infrastructure by means such as public-private partnerships) which, taken together, have serious implications for the economy.

Portugal

Since 1997, the mood in Portugal has been very pessimistic. There is a widespread perception that the mainstream interests of the Union are drifting away from the country's specific interests. Portuguese participation in the euro has not diminished the feeling that the country might be marginalised. The debates on small and major countries, rich and poor members, net payers and net beneficiaries, as well as North and South could undermine cohesion among the Fifteen. Furthermore, there is a concern regarding the evolution of the Commission's attitude. Traditionally the most important ally of Portugal, the Commission is now acting more as a judge than as a partner. New divisions are arising, and not with the candidate countries. On the contrary, there is an idea that, in the future, newcomers could be allies rather than competitors for Portugal. The main problem is a potential division among current Member States.

Spain

Spain is mainly concerned with the idea of maintaining cohesion as one of the key elements of European Union integration.

Sweden

In the weeks of political campaign before the Swedish parliamentary election on September 20 there was almost no debate about EU. The most profiled anti-EU parties, Miljöpartiet (ecological) and Vänsterpartiet (socialist) were trying to put it on the agenda, and the biggest opposition party, Moderaterna (liberal-conservative), wanted to discuss the importance of joining the EMU as soon as possible. However, the Social Democrat government kept a low profile in matters concerning the EU, so there was no real debate. The rank-and-files of the Social Democrats are divided both concerning the EU membership and participating in the EMU.

The most striking feature, not only in the election campaign but for a long time, has been this "low profile". The government is strongly criticised for "keeping quiet" rather than trying to change the attitudes of the large anti-EU opinion. It is criticised for having lost the opportunity to play an active and leading role among the member states, and critics refer to the different attitudes in Finland.

On the subject of the enlargement and the task of accomplishing wide EU reforms, the editor-in-chief of Svenska Dagbladet (moderate right) wrote: "... it will be difficult for the opinion in Sweden, who has developed a disheartening Eurosceptic, which indeed has not been contradicted by the politicians in power. ... It is important that the Social Democrats come forward in European affairs and begin to act again like clear supporters of Europe" (August 7, 1998).

After the European Council in Cardiff, another editorial wrote, á propos the reforms: "What about the Swedish position in all this? It's weak, that is regrettably the main verdict. And the reason is not only that we have lost the respect from the other states through our violation against the agreement on EMU".

"Sweden has presented itself as particularly anxious to admit new member states, but is in the same time working against the idea of a well functioning constitution for the EU ... Our country is embezzling a historic opportunity and the task of playing an important political role in giving birth to the new

Europe” (Dagens Nyheter (liberal), June 17, 1998).

General annotation – Belgium

Sources used to answer this questionnaire sometimes are very different in nature. Position papers do not always exist and are not always equally detailed. In a number of cases information had to be found in speeches of individual actors.

Federal authorities

- The Belgian position in extracts of Agence Europe (June 1th. 1997 untill July 30th. 1998)
- Speech by Jean-Luc Dehaene on ”De Europese Unie: Open en sterk in een globale wereld”, Nederlandse Kamer van Koophandel, Rotterdam, 26.11. 1997
- Speech by Jean-Luc Dehaene on ”Agenda 2000 – een cruciale uitdaging voor de Europese Unie”, Executive Club, Luxembourg, 11.09.1997
- Speech by Jean-Luc Dehaene on ”De Europese Unie en de uitdagingen van het Derde Millenium”, European Parliament, Brussels, 25.09.1997
- Speech by Jean-Luc Dehaene for the Bulgarian Parliament, September 1997
- Speech by Eric Derycke on ”Het Belgisch standpunt ten opzichte van de uitbreiding van de EU, Lunch-debat van het Europahuis van Brussel, 26.11.1997
- The contribution of the minister of foreign affairs E. Derycke ”Relations EU-CEECs and the Intergovernmental Conference” in the book ”Enlarging the European Union – Relations between the EU and Central and Eastern Europe”, edited by Marc Maresceau, European Institute, University of Ghent, Longman London and New York, 1997
- Press communication of the reunion of ministers of June 26th. 1998 about the agriculture in Agenda 2000
- Orientation note for agriculture, Cabinet of the Minister of agriculture and SME, June 1998
- Speech of K. Pinxten, Minister of Agriculture and SME, for the Comité d’avis chargé des questions européennes du Parlement ”Les réformes indispensables de la Politique agricole commune (PAC) en vue de l’élargissement de l’Union européenne et le point de vue du gouvernement belge”
- Press article ”Landbouwsector voelt hete adem wereldhandel in nek”, De Standaard, 09/02/1998

Regional authorities

- ”Agenda 2000 – Structural Funds – Position of the Walloon region”, Cellule Commerce Extérieur of the Walloon government
- Position of the VESOC about the reform of the European structure policy for the period 2000–2006 on the basis of the definitive proposals of the European Commission, Brussels, June 1998
- Speech of P. Willems, Advisor of the Flemish minister-president L. Van den Brande, about the Flemish vision on the reform of the European structural funds, Conference of the VVP, June 12th. 1998, Brussels, European Parliament

Belgian Parliament

Documents of the Belgian Parliament (or extracts) about the ratification of the Amsterdam Treaty:

- Sénat de Belgique, session de 1997–1998, 11 mars 1998
- Chambre des Représentants et Sénat de Belgique, session

ordinaire 1997–1998, 20 Mai 1998, Texte adopté par et rapports faits au nom du Comité d’avis chargé des questions européennes de la Chambre et du Sénat

- Sénat de Belgique, session de 1997–1998, 20 mai 1998, Rapport fait au nom de la commission des affaires étrangères par MM. Hatry et Hostekint
- Sénat de Belgique, session de 1997–1998, 7 mai 1998, proposition de résolution relative à l’approbation du Traité d’Amsterdam
- Chambre des Représentants de Belgique, session ordinaire 1997–1998, 5 novembre 1997, proposition de résolution concernant l’approbation du Traité d’Amsterdam
- Chambre des représentants de Belgique, 49e Législature, session ordinaire 1997–1998, Annales des réunions publiques de commission
- Sénat de Belgique, session ordinaire 1997–1998, compte rendu analytique, Mercredi 3 juin 1998
- Chambre des représentants de Belgique, session 1997–1998, compte rendu analytique, 09.07.1998
- Chambre des représentants de Belgique, session ordinaire 1997–1998, 25 juin 1998, Rapport fait au nom de la commission des relations extérieures par M. Albert Gehlen
- Sénat de Belgique, session ordinaire 1997–1998, compte rendu analytique, Mercredi 8 juillet 1998

European Parliament

- An extract of the EP-briefing (n° 18) about the IGC and the enlargement
- An extract of the EP-briefing (n° 36) on the 1996 intergovernmental conference and the enlargement of the EU
- An extract of the EP-briefing (n°36a) on the accession of the CEECs and the IGC – agricultural aspects

Political Parties

- Positions and recommendations adopted by the CD of the Parti Social Chrétien
- Communication of the Parti Social Chrétien about agenda 2000 and the CAP (May 27th. 1998)
- Press communication of the Parti Social Chrétien about Agenda 2000 and the reform of the Common Agricultural Policy, February 1998
- Paper of CVP-Minister Mark Eyskens, CVP Kamerfractie
- Paper of the Institut Emile Vandervelde, Parti Socialiste
- Paper by Philippe Monfils, Député européen PRL, 9.9.1997
- ”Presentation of the green agenda (translated)”, Magda Aelvoet, President of the Green Group in the European Parliament
- ”Conclusions of the conference on enlargement, Warsaw 26/3/1998”, Magda Aelvoet, President of the Green Group in the European Parliament
- ”Een programma voor de toekomst van Vlaanderen”, Book by the ”Vlaams Blok”

Social Partners

- Preparation of the executive committee of 30 october about Agenda 2000, Federation of Belgian Enterprises
- Speech of T. Vandeputte, Administrateur délégué of the Federation of Belgian Enterprises at the occasion of a lunchdebat organised by the Institut d’Etudes Européennes of the ULB
- Themes and actions 97, Federation of Belgian Enterprises
- Position of the VESOC about the reform of the European structure policy for the period 2000–2006 on the basis of the definitive proposals of the European Commission, Brussels, June 1998
- Position of the Conseil Economique et social de la région wallonne, adopted by the Bureau on May 11th. 1998

– "Reform of the European structure policy", ABVV info.

NATIONAL REPORTS FROM APPLICANT COUNTRIES

COUNTRY REPORT CZECH REPUBLIC

A. ENLARGEMENT PROCESS

1. *Give updated information on the general attitude of public opinion, the media, parties, and pressure groups (economic actors, business community, trade unions, etc.) towards the enlargement of the European Union, respectively towards accession to the EU. Do cleavages transpire?*

According to **the most recent public opinion survey by the STEM Agency** (undertaken in June/July 1998 and published in August 1998), 72.5% of Czech people think that the country should enter the EU as soon as possible. The remaining 27.5% think that the CR should stay out of the Union. The present support of the CR's entry into the EU is almost on the level of June 1996 when 74.1% of respondents were in favour of the entry. On the contrary, last year the support for the CR's integration into the EU sunk below 70%. It is primarily young and educated people who are in favour of the accession. In the age category

from 30 to 44 years, 79% of respondents are in favour of this step, but in the age group above 60 years it is only 60%. Integration into the EU is supported by 84% of people with a university education but only by 58% of people with an elementary education.

According to an **IVVM (Institute for Public Opinion Research)** survey published in May 1998, the share of supporters for the CR's entry into the EU was 58% and has been more or less stable since January of last year. 22% of citizens were against the entry of the CR into the Union and 20% did not have any opinion on this issue.

A majority of the Czech mass media support the CR's entry into EU. All the four main television channels (áT 1, áT 2, Nova, Prima) are pro-European and so are most of the radio stations. EU affairs are relatively well covered in the dailies Lidové noviny, Hospodářské noviny, Mladá fronta dnes, Slovo, Právo, Zemské noviny and weeklies Tyden, Respekt and Ekonom. The great majority of articles in these periodicals are in favour of the CR's membership in the EU.

The Czech business community is generally in favour of the CR's accession to the EU. Representatives of large enterprises believe that an industrial and pro-export policy similar to the one in EU countries would substantially help the economy to recover. Small entrepreneurs hope that membership in the EU would also mean more support for small and medium-sized firms. What the entrepreneurs really want is a competitive environment comparable to the conditions in EU. There may be some fear on the side of Czech bankers. Small banks especially are afraid of the competition from EU countries.

The Chamber of Commerce of the Czech Republic has established its own **Centre for European Integration** which began operation on September 1, 1998. The Chamber welcomes the fact that the entry of the CR into the EU is a stable priority of Czech foreign policy and considers the integration of the Czech economy into the EU single market as one of the main challenges for its activities. It thinks that the entry to the EU is often understood as a foreign policy option to which there is no alternative, but feel that the internal dimension of this step has not been sufficiently emphasized. It is convinced that all the economic entities should be informed, with the state's contribution, about the importance, conditions and impact of the EU accession. It is necessary to offer such training above all to small- and medium-

sized entrepreneurs and tradesmen. The experience of EU countries shows that large firms are able to adapt themselves to the conditions of a single Europe quite well, while small entrepreneurs are the first ones who are affected by increased competition pressures and who feel threatened. However, it is justified to present the EU membership as beneficial even to small entrepreneurs, because of a higher stability and transparency of the markets, easier access to loans and capital, greater possibilities of cooperation in research and development, etc.

The Confederation of Industry and Transport of the Czech Republic communicates with the Ministry of Foreign Affairs on EU matters. There has been established a working team for integration into the EU by the Council of Economic and Social Agreement in which representatives from the Confederation are also taking part. According to the Confederation, the Czech production base is very dependent on exports to the EU markets. The complete opening up of the Czech and the European market will mean a certain handicap for Czech products in relation to those of the European competitors. That will require an adaptation of the Czech production base. In the first place, this means an effective performance of ownership rights which would stimulate restructuring of the industry. The Confederation considers as a great problem the fact that despite preferential relations, the trade of the CR with the EU has been constantly passive on the Czech side. The passive balance of CR-EU trade reached 100 billion CZK, which was 71.6% of the total foreign trade deficit of the CR. After the entry of CR into the EU, most of the one-sided advantages connected with the protection of the Czech market will be abolished, which will worsen the competitiveness of domestic firms. On the other hand, the administrative barriers from the side of the EU should also fall. After the entry into the EU, the attractiveness of the CR from the point of view foreign, especially European, investors will increase. Under certain assumptions, this fact can contribute to the increase of competitiveness of the exported Czech industrial products.

The Agrarian Chamber, which represents Czech farmers, has expressed fears that the coming entry of CR into the EU will bring considerable problems because it considers the present state of Czech agriculture as deplorable and on the verge of collapse. In 1997, the agrarian sector suffered a loss of 894.1 million CZK, which is 44.1 million CZK more than

in 1996. According to the Agrarian Chamber, there are great differences in tariffs between the CR and the EU, and also the support of agriculture is four times higher in the Union. The situation is especially bad in livestock production. The level of Czech agriculture is allegedly not approaching the EU; in fact, the gap is actually growing. Nevertheless, the Chamber admits that the EU market, with 370 million consumers, also offers a certain chance for Czech farmers. Many Czech farmers hope for greater support and subsidies after the accession.

The trade unions are strongly in favour of the CR's membership in the EU. The Czech trade-unionists often perceive EU member countries as welfare states with very generous social security systems. At the congress of the **Czech-Moravian Confederation of Trade Unions (áMKOS)** which took place on 15–16 May 1998, a resolution about the integration of CR into the EU was made. The congress welcomed the results of the session of the European Council in Luxembourg in December 1997. áMKOS admits that in the past years, much has been neglected with respect to the approximation of the CR to the EU, and the present acceleration of preparations will be a complex process concerning also the social sphere. It emphasizes that a necessary condition for the preparedness of the CR for accession into the EU is a sharp increase of efficiency and competitiveness of the economy which has to be accompanied by an adequate social protection. It requires that the social partners be continuously informed and consulted in the course of negotiations with EU representatives about the conditions of accession and its impact on various sectors, including the living standard of employees. It warns that the absence of public debate and social dialogue on the accession could increase the danger of nationalistic and extremist moods. It considers the maintenance of social stability as a fundamental condition for the further deepening and widening of the EU.

After the early elections into the Chamber of Deputies, which took place on 19th and 20th June 1998, five political parties passed the 5% limit necessary for getting seats in the Chamber. The Republicans (SPR-RSá), who strongly oppose the CR's membership in both the EU and NATO, did not meet this limit. Out of the five parliamentary parties, only the Communists (KSáM) have strong reservations with respect to EU membership.

ODS (Civic Democratic Party) considers the

CR's all-sided participation in the process of European integration as an important goal. However, according to its election programme, ODS favours a realistic, as opposed to a naïve, approach towards integration. ODS's goal is a Europe of nations based on free market, partnership, open competition, protection of stability and prosperity. ODS does not want to copy uncritically some concepts, with which many EU member countries are fighting today. The includes above all the costly and inflexible model of the so-called social state, typical for the last decades. ODS wants to dissolve the country neither in supranational structures nor in a "Europe of regions" without a clearly defined statehood. ODS does not want a Europe closed to the world, fearing other world centers and refusing reforms which have been successful in other parts of the world. ODS wants the Czech citizens to be acquainted with both the costs and benefits which the EU membership will bring and to make the decision themselves according to this knowledge.

According to its election programme, **the áSSD (Social-Democratic Party)** shares the vision of a united, democratic, prosperous and peaceful Europe without tensions and conflicts, a Europe of free citizens and cooperating regions, a Europe of solidarity in which the identity of individual member states is developed. In the interest of a qualified preparation for the CR's membership in the EU, áSSD will try to see through the elaboration of a medium-term programme for the integration of the CR into the Union based on the existing Europe Agreement on Accession between the CR and the EU while taking part in the EU programme Agenda 2000. áSSD will try to establish a Ministry for European Affairs which would coordinate the different sectors and newly created regions in the course of preparation of the medium-term programme and annual national programmes and to secure a purposeful use of the EU aid within the framework of the Accession Partnership.

KDU-áSL (Christian-Democratic Union-Czech People's Party) is for a purposeful continuation of the process of integration into NATO and EU in its election programme. All the legislative, economic and other steps and all the concepts originating in individual sectors and inter-sectoral concepts should be created with respect to the EU legislation and with the prospect of entry into the Euroatlantic structures.

In its election programme, **US (Freedom Union)** wants to take part in the construction of a united

Europe and a "Europe of regions" by means of cooperation of regions, cities and municipalities of different countries. The goal of US is the full integration of the CR into the EU in the first half of the next decade. The vision of US is a strong Europe and it resolutely supports further enlargement and deepening of European integration. In connection with European integration, US will try to see through: the strengthening of the European and Euroatlantic dimension of Czech foreign policy; the information programme "Europe of Chances" offering to the citizens sufficient information about the internal functioning of the European Union and the consequences of membership; the increase of importance of the inter-sectoral Government Committee for European Affairs which bears the responsibility for the integration into the EU.

According to its election programme, **KSáM (the Communist Party)** would support the "integration into Europe" based on equal rights. However it does not want to enter the European Union in such conditions where the CR would be in a situation of a colony perceived by stronger countries only as a market for their overproduction and a source of cheap labour. It requires a Europe of social security, culture and education, unity and national sovereignty, democracy and human rights, peace, safety and cooperation. It will strive for an equal and democratic integration of all European countries and to use the objective integration processes for the improvement of living conditions of people and equal chances for the development of all. It refuses a policy of unconditional and premature entry into the EU without discussions about the form of integration. It will require a change of the character of European integration and introduction of a socially just and ecologically acceptable European integration process without being subordinated to the interests of supranational capital and great powers.

2. *Give information on your government's priorities, interests and areas of specific concern in the course of accession negotiations. Do position papers of some actors exist?*

It is explicitly mentioned in the "**National Programme for the Preparation of the Czech Republic for Membership in the European Union**" that none of the spheres of preparation can be underestimated or labelled as less important. Nevertheless, the government believes that, in view

of the challenging tasks facing the Czech Republic, priority attention should be given to the following:

- Σ transposition of EC law into the legal order of the CR, and the application and enforcement of law
- Σ reform and improvement of the public administration, including the judiciary
- Σ preparation and gradual integration into the internal market
- Σ economic and monetary policy
- Σ economic and social cohesion, regional policy
- Σ agriculture
- Σ environment
- Σ statistics
- Σ the third pillar – justice and the interior

The primary task in the preparation for membership is **the harmonization of law in all spheres, including the provision for its effective application and enforcement**. The CR is proceeding according to the schedule of approximation of the CR's legal regulations with EC law, approved by the Government of the CR, taking into account the gradual expansion of the regulations included in the White Paper to the entire *acquis communautaire*. Another priority linked to the obligation of the CR as a future EU Member State is the gradual provision of translations of EC legislation into the Czech language, which, is also closely linked to the approximation of law.

In the context of the preparation and the subsequent implementation of the concept of **reform and improvement of public administration**, attention will focus on norm-setting activities regarding the definition of the sphere of activity and the provision of powers enjoyed by central, regional and, respectively, local administration, and also on the improvement of administrative procedures, the development of human resources and the setting up public administration information systems.

With respect to **the internal market**, one of the priority spheres is the further development of the financial sector, where it is necessary to secure the adoption of the relevant legislation, ensure the effective activities of control bodies and improve the quality of human resources. Another significant sphere is the harmonization of technical regulations and the removal of technical barriers to trade within the pre-accession period. One of the main tasks is the conclusion of the European Conformity Assessment Agreement, the completion of the transposition of

EC regulations into the legal order of the CR and the achievement of required technical competence, i.e. completing the development and strengthening of infrastructure, especially of certification and inspection bodies.

The priority in **the area of economic and monetary policy** is the preparation of the medium-term macroeconomic strategy of the CR for integration of the Czech economy into the single market of the EU and the associated convergence with the requirements of the Economic and Monetary Union. Additionally, much emphasis is given to the preparation of standard instruments of medium-term fiscal and budgetary policy and the creation of conditions conducive to the long-term sustainability of sound public finances.

In **the area of economic and social cohesion**, attention shall be focused primarily on legislative provisions relating to the coordination of regional policy at the national level and on the establishment of an integrated approach to regional development. The CR will also commence the preparation of the relevant programme documents (Regional Development Plan, materials for the Framework of Community Support) that are necessary from the point of view of eligibility for EU Structural Funds.

In **the area of agriculture**, the priority is above all the approximation of legal regulations as well as their application and enforcement, especially in the field of veterinary and phytosanitary care, and includes the provision of effective inspection bodies, food quality control and the protection of the health of animals. Additional priorities include the development of the relevant market organizations and information systems.

In **the area of the environment**, the approximation of Czech law will focus especially on air protection, water conservation and waste disposal. The solution of problems in these and other fields will continue to shift from the application of subsequent measures to the prevention and restriction of pollution at the source in the spheres of transport, energy, industry and agriculture.

The main objective in **the sphere of statistics** is the adoption of the *acquis communautaire* in the broad sense, in order that Czech statistics are able to process all statistical information required by the EU from its Member States in compliance with the prescribed methodology, levels of reliability and

time schedules.

The main tasks in **the sphere of the third pillar**, from the point of view of achieving full-fledged membership in the EU, are complete security (including the external border of the EU), the fight against drug-trafficking and against organized crime, the strengthening of international police cooperation and the harmonization of law with the *acquis* of the third pillar.

The implementation of the **Communication Strategy of the Government of the CR** should be added to the above-listed spheres. By means of this strategy various groups of the Czech population should be informed about the European Union. The idea is that the public should play an active role in this respect and not only be a passive recipient of information.

Areas where major problems for the Czech side are expected during the negotiations are e.g. the acquisition of land and property in the CR by foreigners; costs of meeting the ecological norms; the ability of adjusting the transport and other infrastructure; the impacts of CAP (above all food prices). The CR still does not have a law which would enable foreigners to purchase real estate and land. The liberalization of the market with real estate for citizens from EU countries has not been politically viable so far, because many Czech people are afraid that Sudeten Germans would buy their property and land which they had to leave after the end of the Second World War. Another reason for cautiousness from the Czech side are the present relatively very low prices of land in the CR in comparison with developed market economies.

On July 24, 1998, the CR concluded **the screening** of twelve out of 31 chapters. Analytical checking of the legislation will continue in September of this year (after an August break) and the screening of the final chapter is planned for July 1999. In the course of the screening negotiations, the CR has expressed a wish to introduce a transitory period in case of the chapter "Free Movement of Goods", which also concerns the production of toys where the regulations are more strict in the CR than in the EU. Certain problems have appeared while screening the chapter "Culture and Audiovision", namely in case of the directive "Television without Frontiers", where the CR probably will not be able to introduce the required quota for broadcasting of works of European production. The programme of the progressive

increase of the volume of European production in the broadcasting of Czech television stations is basically ready and it is expected that the CR would reach the expected quota of 50% in 2005. However, many areas of harmonization of the national legislation with that of the EC is conditioned by the passing of many new laws and amendments of the actual laws. A solution also has to be found for the conflict of the EU trademark and an analogical CR trademark. At present, the CR is intensively preparing **position documents** to each of the twelve chapters screened thus far. At the beginning of September, there should be submitted to the European Commission the position documents to at least seven screened chapters (Science and Research, Telecommunications and Information Technologies, Education and Training, Culture and Audiovision, Industrial Policy, Small and Medium Enterprises, Common Foreign and Security Policy). Like some other candidate countries, the CR is considering presenting position documents to more than seven chapters, including the chapter "Free Movement of Goods".

3. *Give information on the institutional set up in your government to monitor and conduct the accession negotiations (organigrams). Which ministry is responsible, who are the key players?*

It is the Ministry of Foreign Affairs which is coordinating the negotiations with the EU. One of the deputy ministers is responsible for the coordination of the negotiations with the EU and at the same time, he is the main negotiator. In this respect, the Ministry has at its disposal two departments: one for political relations with the EU, the other one for coordination of relations with the EU.

Recently, there was established the **Committee for European Integration in the Chamber of Deputies.**

As of 1st January 1995, these institutions dealing with the country's accession into the EU have been established in the CR:

- Σ **Government Committee for European Integration**
- Σ **Working Committee for the Implementation of the European Agreement (now called Working Committee for European Integration)**
- Σ **Working Groups**

For the implementation of the European

Agreement, there have been established the following common institutions of the EU and the CR (this corresponds to the situation in the other associated CEECs):

Σ **Association Council**

Σ **Association Committee**

Σ **Subcommittees**

Σ **Parliamentary Association Committee**

The new áSSD government may change somewhat the institutional set up with respect to European Affairs. By 30th September 1998, the Vice-Premier for Foreign and Security Policy Egon Lánsky (he is now the chairman of the Government Committee for European Integration; in the two preceding governments this post was reserved for the Prime Minister) is supposed to submit to the government information on the hierarchy of institutions which are dealing with the integration of the CR into the EU and NATO.

4. *What is the position on and what are expectations of your country in view of the Luxembourg arrangements for the accession and the negotiation process? Please comment on its core elements:*

Σ *separate screening for the two waves;*

Separate screening for the two waves is seen as reasonable by the Czech government. However, a clear position on this matter has not been formed yet.

Σ *new instrument of accession partnerships;*

The new instrument of **accession partnerships** is very positively accepted by the government. According to the "**Programme Declaration of the Government of the Czech Republic**", the government will secure an effective use of EU aid within the framework of Accession Partnership. It will create conditions for the establishment of self-governing regional institutions whose existence is necessary for the CR in order to acquire and to be able to absorb the contributions from the EU structural funds and the aid for the development of agriculture after 2000. At the same time, the government has decided to fully take advantage of the possibilities which have been created in the European Investment Bank for financing projects in candidate countries. The government will develop a strategy for entry into the EU with the aim of preparing the individual sectors for the expected changes.

Σ *financial commitment of the EU for pre-accession;*

The government expects significant aid especially after 2000. In this respect, Minister of Foreign Affairs Jan Kavan wrote in an article for *Mezinárodní vztahy* (to be published soon) that the necessary conditions must be created for an effective use of economic aid from the European Union. There should not be a repeat of the situation when, as a consequence of unclear internal competencies and insufficient legislation, in 1990–1996, almost half (more than 7 billion CZK) of multilateral aid offered to the CR within the framework of the PHARE programme, was not used.

Σ *annual reports by the Commission;*

The government is aware that this is an important way for the European Commission to collect and analyze relevant information about the candidate countries.

Σ *multilateral 15+1 meetings as an instrument of inclusion;*

The government welcomes these meetings because they prevent a temporary exclusion of some applicant countries from the integration process and they also prevent the building of new dividing lines.

Σ *cross-linkages between Cyprus and Eastern enlargement;*

The new Czech political Élite is gradually being forced to react in wider European dimensions. Although the Czech diplomacy is not directly engaged in the **Cyprus issue**, it is in the CR's interest that such a solution which would be suitable to all the parties involved and which would not lead to Greece's blocking of the CR's membership in the Union, be found as soon as possible. The CR welcomes and supports all the initiatives for the solution of the Cyprus issue. The CR supports, within the framework of the UN, the reintegration of the island based on the agreement between the two communities while maintaining the legal continuity of the Republic of Cyprus and the stationing of UNICYP troops.

Σ *Turkey's place in this picture and the European Conference.*

The Czech government believes that the question of **Turkey's membership in the EU** should be decided according to the Copenhagen criteria and not according to the cultural-historic presumptions.

Problems of human rights and good relations with neighbouring Greece as an EU member country is of key importance in this context. The CR wishes that "the door of the EU not be closed" to the geopolitically important Turkey with which it has good economic and political relations. The CR appreciates that so far, Turkey has not blocked its membership in NATO. Therefore its participation in the European Conference is desirable. Ankara's connecting the membership of Cyprus in the EU with a preceding approval of the start of negotiations about Turkey's accession to the EU, without a preceding fulfillment of the Copenhagen criteria by Turkey, is hardly acceptable for CR. Given the tense relations between the two communities in Cyprus and the categorical insistence of Greece on the membership of Cyprus in the EU as a pre-condition for its approval of the membership of the Central and Eastern European countries, there is a real danger that the prospect of an early membership of the CR in the EU could be postponed.

B. AGENDA 2000/EU-REFORMS

3. *Please comment on the formation of interests in your country as far as EU-reforms are concerned. Is this more fluid and in progress or already fleshed out and rather detailed?*

The formation of interests in the Czech Republic as far as EU-reforms are concerned, is rather fluid and in progress. It is certainly not fleshed out and much detailed yet. We approached this question from the point of view of the public debate on the EU mediated by the Czech press. A number of articles in leading dailies (MF Dnes, Právo, Lidové noviny, Slovo) and weeklies (Tyden, Ekonom) throughout the period from July 1997 till July 1998 were analyzed. The conclusions are the following:

Internal EU-reforms did not figure in the debate about the EU in a significant way. The attention was focused on enlargement and on the euro, naturally, but the issues of unemployment in the EU or relations between EU and non-EU countries were also discussed in a more extensive way. The reforms were usually mentioned in connection with enlargement and they were not commented on besides having been presented as necessary. The evaluation of the Amsterdam Treaty followed the EU mainstream. A scant public interest in the EU-reforms is the attitude of an outside observer who is convinced that he does not have to care.

4. *Looking at the debate on enlargement and EU-reform in your country, what is the most striking observation or trend since the tabling of Agenda 2000 in July 1997?*

Last summer, **the public mood in the Czech Republic** in terms of EU enlargement could be described as cautious optimism. The avis of the Commission was considered as more or less positive, while taking into account the criticism of some areas as justified. The recommendation that the country should be invited to the accession negotiations was warmly greeted. Nevertheless, worries in connection with too large a gap between the economies and between the legal systems were also voiced, and the long-term perspective of the process was stressed as well. One journalist remarked on the basis of opinion research that: "We want to join the EU, even though we do not know why and despite the fact that we have no illusions about the situation there". It seems to us that this statement is a good reflection of the state of mind both of the public-at-large and of most decision-makers.

There was no significant development in the noted attitudes. All the same, there were some minor shifts in connection with the preparations of CR's negotiating team and with the start of pre-accession negotiations in March this year. First of all, the headlines grew gloomier, as if people started to discover the scope of the task ahead and the relative unpreparedness of the country to face this, while the fear of a loss of identity is creeping in. Some argue that poetic courting was replaced by realpolitik, others claim that the hangover came after the party. Not only were there reports about the Czech shortcomings on the way to the EU but also reports about lukewarm attitudes of some EU-countries and about the general unwillingness of EU citizens to enlarge dampened the mood. On the other hand, financial aid, both present and future, sweetens the pill a bit. The cautious optimism of last summer has been replaced by uncertain expectations of today. Besides this development, several further observations concerning the debate can be made:

- Σ The case of Slovakia is more or less absent. More lines seem to have been dedicated to the rebuttal of Turkey than to the non-invitation of the CR's neighbour.
- Σ The euro was greeted as a great step forward almost unanimously, while only few remarked that the single currency could complicate our

joining.

- Σ In the dispute between the government and the Commission about the Czech restrictions on EU apple exports, most observers claimed that the government mishandled the affair and they put blame on the ministry of agriculture.
- Σ Most observers put the date of our entry at around 2005.
- Σ Problems of other candidates are spoken about, which is especially the case of Poland.

5. *Please note whatever you like to add on the subject of this questionnaire.*

It seems that the Czech Republic is still too absorbed in its own problems with the political, economic and social transformation, so that there is on all levels only very superficial knowledge about the important changes which the EU is facing and which have already started. Therefore, some issues which the Czech Republic cannot influence or which will not have an immediate impact on the country, arouse very little debate, perhaps with the exception of academic circles. There are some important issues where not even the government has formed a clear position. For this reason, some very specific questions in this questionnaire seem to be rather irrelevant for the CR at present.

COUNTRY REPORT HUNGARY

A. ENLARGEMENT PROCESS

1. Public opinion on EU-accession

1.1. Opinion polls

A widely conducted opinion survey (by Sofres Modus, stemming from autumn 1997) shows an overwhelmingly pro-EU attitude in the Hungarian public opinion. 60% of the population would have voted "yes" on a virtual referendum, only 7,5% would have opposed while 32,5% have been hesitating. Interestingly, nearly two thirds (68%) were convinced EU-accession would benefit the

country as a whole, while only 45% were sure of this regarding their own region, and even less (38%) applied this expectation to their private lives, families (the fear that the social gap within Hungary would not narrow but widen is apparent in the national public opinion).

According to a more recent poll (September this year) the share of the would-be positive voters was 56%. The relatively high number of those hesitating can be explained partly by the fact that in Hungary transformation, modernization and preparation for EU-membership coincide and overlap. Therefore those who feel to be the losers of transformation, might fear that EU-accession could further aggravate their situation.

1.2. Opinion of the business community

In the case of companies the relevant question is not whether to join the EU or not, but rather the degree to which they are prepared for this already ongoing integration process. The Strategic Task Force for European Integration has polled more than 500 companies in the beginning of 1998. Among them were the "TOP 200", and some other 50 important big or medium sized enterprises, as well as a range of SMEs. Nearly half of the questioned SMEs and two thirds of the big companies deemed their own preparations "good", the best performing among them being the joint ventures.

When asking the companies about their own competitiveness on the Hungarian market, 52% of SMEs and 84% of big companies judged it good, but this fell to 30% and 50% respectively, when it came to international competitiveness. This big gap is also a sign of our national market's – still existing, inherited – structural problems. It is therefore, more than desirable that those scissors close as soon as possible – before our EU accession.

Only 17% of SMEs and nearly 30% of big firms feel already prepared for EU accession, and a further 22% and 44% (respectively) count with full preparedness by our official membership. One fourth of SMEs and 19% of big companies would need another 1–3 years adaptation period after accession. On the other hand, 25% of the SMEs questioned could not even guess when they would be really "mature" for integration, while this rate was only 4,3% for big companies.

On the basis of the results of the poll one can

conclude that fortunately, there is already a hard core in the Hungarian micro economy, which is in the mainstream of entrepreneurial integration, and will further develop in this direction, successfully facing competition with economic actors of the European Union. The composition of this layer is very varied. To those initially being in a good position (companies with foreign or mixed ownership, and some of the prosperous big Hungarian public firms) dynamically caught up the big and medium sized as well as some of the smaller sized Hungarian private undertakings, usually with a strong foreign trade profile. The optimism of these companies is based on their successful performance during economic transformation, and on some good experiences in terms of adapting to EU-requirements.

2. *Accession negotiations*

position papers – derogation claims

Until the end of September 1998 Hungary (just like the other 5 "first-round countries") has already passed the following chapters of the *acquis* screening: R&D, Telecom, Education and Training, Culture and Audiovisual Policy, Industry, SMEs, CFSP, Company Law, Health and Consumer Protection, Fisheries, Statistics, External Economic Relations, Free Movement of Goods, Customs Union.

The basic idea of the Hungarian negotiation (and accession) strategy – which had to be slightly revised after elections –, is to ask for a limited and indeed justified number of derogations, while making all possible efforts to comply with EU-requirements. Two aspects became apparent: 1.) not to delay the negotiation process, and keep to the initial target date of 1/1/2002 full membership, 2.) The costs of our EU-accession shall not exceed the capacities of the national economy.

By mid-September Hungary submitted her position paper in 11 areas, containing 3 derogation requests. These are:

extending the time length of license protection of pharmaceuticals by five years: this is in connection with higher prices of the given products (under license protection), in the context of already high prices for the consumers, and high expenses for the social security;

increasing the value threshold of goods enjoying product liability under EU-regulations: in Hungary the lowest value limit of goods after which the

consumer can claim damages is 10 000 HUF, that is some 42 ECU. This threshold is 500 in the EU. This big gap reflects the income gap between the average Hungarian and average EU-consumer, and of course favors the Hungarian ones;

in the field of telecom services liberalization (which proved to be one of the most sensitive areas until now) Hungary would like to ask for a 4–11 months derogation period (taken 1/1/2002 date of entrance as a working-hypothesis), since the Hungarian National Telecom Company, the Matáv Rt. enjoys exclusive rights until 1/5/2002, and some concession contracts with other companies expire only in November 2002.

Furthermore Hungary is likely to submit a derogation request concerning import quota imposed on non-WTO-members' steel-exports, which we would like to keep even some years after accession.

Of course, the most challenging and sensitive areas of screening (and negotiations) are still to come. The priorities of the different lobbies (especially the agricultural and regional ones) in those areas, and the position of the government is therefore not yet public. The minister of foreign affairs however hinted to the possibility of asking for derogation regarding the right to buy land in Hungary.

3. *Institutional set up*

The accession negotiations are being prepared and coordinated by the Ministry of Foreign Affairs of the Hungarian Republic. Within the Hungarian government it is the Minister of Foreign Affairs, János Martonyi who is responsible for the country's official preparations for EU-membership. His Ministry contains a special State Secretariat for European Integration (headed by State Secretary Péter Gottfried), which also coordinates the work of the different Ministries in their relevant tasks, and presides over the meetings of the Interministerial Committee for European Integration (where practically all Ministries, except for the Defense Ministry take part). In the Parliament it is the Committee for European Integration (headed by József Szájer, Fidesz) that is competent in EU-issues. Last but not least the country's Chief Negotiator became the Ambassador of our EU-Mission in Brussels, Mr. Endre Juhász, who is (normally) present on all negotiation rounds.

In the course of legal harmonization the Ministry of Justice (headed by Mrs. Ibolya Dávid) plays an eminent role. The management of PHARE is fulfilled by a Minister without portfolio, Mr. Imre Boros.

The Strategic Task Force for European Integration providing strategic expertise ceased to exist after the new government took office (June 1998). The creation of a similar independent advisory body at the service of the Prime Minister's Office (where an EU-Coordination Unit exists), or at the Foreign Ministry, should be decided upon in the near future.

4. *Evaluating the Luxembourg decision*

(This is not relevant to Hungary as a candidate country, we only add one remark here:) Hungary of course welcomed the fact that the Luxembourg European Council, in conformity with the Commission's Avis, deemed Hungary one of the best prepared candidates for EU-membership and selected her as a "first wave" negotiator. Hungary has always been advocating that the candidate countries be judged according to their level of preparedness, and that the faster ones should not be compelled to wait for the slower ones – that is: preferably not the slowest ones should dictate the rhythm of enlargement. Therefore, we are interested in keeping our forerunner position. At the same time, we are also highly interested in the successful catching up process in our neighbors, especially Slovakia and Romania, so that in the foreseeable future they can also start accession talks and can become members of the EU.

B. AGENDA 2000 – EU-REFORMS

1.–3. EU-internal reforms (institutional, budgetary, agricultural)

(This is not relevant to Hungary as a candidate country, the only remark would be): Hungary understands that the EU has to undergo deep reforms, in order to make European integration viable and manageable with 20 or even more members. Hungary only hopes that the necessary reforms can be agreed upon before enlargement so that reform disputes would not delay and/or complicate accession. Hungary is interested in a viable EU-system and we accept that this might be the precondition for enlargement but should in no way become a pretext for postponing it.

2. *Perception of the Agenda 2000*

There is of course no official opinion or position on the Agenda 2000 document (the part of EU-reforms), since these are the Community's internal affairs. The government would only like to see EU-reforms adopted in a way allowing new members to join and preferably not to have short-term reforms, requiring further reforms before enlargement takes place...

(Regarding the financial proposal some Hungarian experts are afraid that the amounts for structural and regional objectives could not accelerate our catching up process in terms of infrastructure and income per capita, meaning that economic and social cohesion would not be promoted successfully in the short/medium run.)

4. *Most striking trends in Hungary since the publication of Agenda 2000*

In Hungary it is widely known that the Commission's proposal for a new financial perspective between 2000–2006 counts with new members from 2002 onwards. It is perhaps less known before the public opinion (and sometimes the media), that the Commission paper is only a proposal, a working hypothesis, which should be adopted later by the member states. This is why this date raised high expectations regarding our date of entrance, and this date is also taken seriously by our Ministry of Foreign Affairs which therefore would like to finish negotiation talks accordingly.

COUNTRY REPORT POLAND

THE PROBLEM OF EUROPEAN INTEGRATION IN POLAND SOCIAL ATTITUDES – GOVERNMENT'S POSITION – POLITICAL FORCES' STANDPOINTS

1. Attitudes towards European Integration In the Light of Public Opinion Surveys

The examinations on Poles' attitudes towards European integration are systematically carried out by the Centre of Public Opinion Research (CPOR), the Public Opinion Research Centre (PORC) and the Workshop of Social Research (WSR), which is co-

operating with the Institute of Public Affairs (IPA). A yearly survey for the Eurobarometer is done by the Agency of Market Research "Pentor" (AMR). The surveys focus on the questions of the level of social approval to joining the EU and social localisation of attitudes. Researches studies are also made on representatives of the so-called "strategic" groups for the process of becoming members: politicians, journalists, businessmen, farmers and clergy. The dissemination of surveys' results is connected with the political meaning for the Polish Government of the thesis about "unanimity of political forces and wide acceptance of the Polish society".

1.1 Surveys – Proportion of the Supporters And Opponents of the Integration

The surveys constantly show – independently of certain differences in methodology – a majority of the supporters of Poland's accession to EU over the opponents. The smallest differences between the number of supporters and opponents of the integration of Poland with EU were recorded in December 1995 in a PGSS (Polish General Social Survey) research and in June 1998 in a WSR survey. The largest majority of the supporters were recorded in CPOR surveys in May 1996 and June 1994.

Figure 1
The biggest and smallest differences in declared support and objection to Poland's accession to EU in surveys 1993 – 1998

Source: [1], [2]

Differences in methodology, concerning the way of sampling and asked questions, make the univocal interpretation of results difficult – you have to decide, what the category "hard to say" means.

Therefore to present the tendencies of forming the proportions of supporters and opponents to the integration, we shall compare only the data concerning the decided people. That is because the questions in surveys have a "referendum" form, and the result of referendum is calculated using only given votes, without the absent. The absenteeism in previous referenda in Poland was significant.

Results of surveys 1993 – 1998 set in this way show a constant high majority of people decided to support the accession in the referendum, varying between +62.4% and +93.4%. The changes of this

indicator can – of course – be related to discussion on the integration and to current events (for example, the conflict on appointing the president of Committee of European Integration). They might also be connected with the differences in survey methodology; PORC for example, usually gets a higher percentage of supporters than CPOR.

Figure 2
Proportion of supporters and opponents to accession in a possible referendum due to following surveys 1993 – 1998

Source: [1]; [3]; [4], calculations and arrangement made by the author

A more accurate measure of attitudes towards the integration was made by CPOR. Three groups were distinguished – the "unionists" (supporters of the accession) made 37% of all questioned, the "undecided" people made 45% of the sample, and the group of people sceptically disposed to the integration made 18% of the respondents. A high majority (90%) of the unionists declared their support for Poland's accession to EU in a possible referendum. Among the people showing ambivalent attitude 60% declared intention to vote "for" the accession, whereas almost a half (49%) of the sceptically disposed people declared intention to vote "against". These results reflect the present distribution of opinion towards the integration in Polish society – containing a relatively large group strongly supporting the integration, a much smaller group of opponents, of smaller degree of determination, and the largest group of people moderately supporting the integration, at the same time seeing its distressing aspects.

1.2 Surveys – Social Localisation of Support and Opposition to the Integration

The surveys are unanimous in the question of social localisation of support and opposition. In each social category, there are supporters as well as opponents, but because of their proportion, some groups can be distinguished; either more or less interested in Poland's accession to EU.

A strong support for the integration is expressed by social categories of higher education level, higher income, and higher status. The managers and intellectuals, the businessmen, the clerks, the students, the young generation, the inhabitants of big cities therefore support integration. The opposition to

integration concentrates nowadays mainly in the category of farmers. It is the only socio-professional group, in which the number of unionists equals the number of opponents.

Two phenomena of the political scene are significant for the interpretation of social distribution of postures towards the integration. The phenomenon of apathy, appearing in low election attendance, divides the society in a group of politically active citizens and a group of politically passive. The reform conflict divides the Polish society into so called beneficiaries of the reforms, that is the well adapted groups and groups having problems with accommodation to new conditions. In the discussion on the integration, this conflict is summarised as follows: "... *in the Polish society, two basic attitudes towards negotiations with EU can be observed; the first – represented by those, who think, that the aim of the negotiations is preservation of Polish status quo, and the second – by people, who see in the negotiations a chance for further modernisation of the country by creating new possibilities of development.*" [2]

In effect the distribution of support, though high on the whole, differs in each social category. There are three centres of concentration; one contains farmers, which is a group the most opposed to the integration. In the present phase it means division of this group into three equal parts: the supporters, opponents and undecided. The opposites of farmers are categories of people with higher education, youth and people with high income. In these groups, there are many supporters, the opponents of the integration are few, and the number of the neutral or undecided is also small. The third extreme are the categories of "the passive", "the excluded" as for example the unemployed, the unskilled workers, people without explicit political view, the elderly people, pensioners and retired employees. Among them, there are not many supporters or opponents, the undecided prevail or are in a considerable number. The figure presented below contains examples of such distributions of opinion based on relatively up-to-date survey results.

Figure 3
Attitudes to integration by chosen demographic and social aspects (04. 98 CPOR)

Source: [5], calculations and arrangement made by the author

* The scale range from 1 to 7, when 1 means the highest level

of support

Referring to the presented results you have to consider the fact, that in spite of the advanced level of preparations to membership, they only show an early phase of development of people's awareness of the integration's meaning. The IPA report says "Most Poles think that the integration process will have little effect on their lives or no effect at all. The integration process is not therefore seen through the prism of every-day matters. It appears as a distant matter, going on above the citizens heads." [6]

Such state of matter is, due to unanimous opinion of observers, a result of the weakness of information policy.

Informational and educational actions are judged as follows: "In spite of the years going by and the realisation of task's accomplishment time-limit, no efficient educational programmes or permeable enough information channels have been made!" [1] Most Polish citizens' knowledge of the EU and the negotiation process, is perfunctory, almost three quarters of respondents (73%) feel lack of information about the EU and the negotiations [6], and over 50% estimate, that there are few television programmes on this topic in public television. [7]

A more serious problem is that politicians involved in supporting the integration, sometimes do not understand properly the aims of integration and the procedure of becoming a member, therefore "producing a feel of informational chaos!" [1] It is noticed, that politicians and opinion making circles opposing the integration act somewhat efficiently: "Although unanimous opinions 'against' appear in statements of politicians not comprising the main flow of political life, they are addressed to wide circles open to emotional phraseology of these statements." [1]

To illustrate this, we shall present an excerpt from the front page of a rightist weekly magazine "Our Poland". In the column "topic of the week" we find PATRIOTISM OR COSMOPOLITANISM? Poles don't need masochism and idolatrous truckling to Europe (read: the Western World), they don't need an inferiority complex..." I COME UP TO SOCIAL EXPECTATIONS – INTERVIEW WITH MACIEJ GIELECKI, VOIVODE OF WARSAW, And those, who deplore, that it is such a non-democratic and

non-European way, have to be asked: where is the line between anarchy and an efficiently functioning social system ...” [8].

To the other side of the conflict – the representatives of the government – some statements in the language of subordination sometimes happen. An example taken from a statement of the Vice-Minister, from *”Wprost”* weekly: ”The PHARE fund is to act as an indicator showing, how the applicants are adopted to European standards. When applying ... we must accept its standards. The EU expects ... the EU demands ... decisions must be made as soon as possible. We must undertake ... No Polish official’s words will calm the European Commission. We must undertake ... The members of EU have to be sure ... (to protrude the suggestiveness of his statement, the factual contents has been removed) [9].

2. *”Strategic groups” attitudes*

2.1 *Politicians*

The dominating position in the process of integration between Poland and EU and in the debate carried on this topic, is occupied by the *”political class”*. It is possible to say with some exaggeration, that it is the politicians, who *”animate”* the events in the process and gather the space of public discussion.

Although the real influence of politicians’ statements may be not so big; however the fact is that in three main Polish-wide newspapers, among all interviewed or quoted in the context of European integration almost 25% are the politicians and the next 26% – high officials.

We have to notice that politicians have a strong tendency to control the information flow, a glaring example of which can be a *”censorship-phrase”* included in the National Integration strategy: *”The campaign on integration with EU structures should lack the emotional aspect included in the slogan of ‘the return to Europe’. The phrase ‘return to Europe’ in social perception places the integration process in a past perspective, while the strategy of the present stage requires looking into the future.”* [10]

The attitudes of politicians – members of Parliament of the second term (1993 – 1997) and of the representatives of the opposition not represented in the Parliament – towards the questions of integration – were a subject of research [1]. This research gives bases to say, that along with the realisation of the membership-obtaining time-limit, the acceptance for

this strategic aim holds, but at the same time differentiation of politicians’ opinions about tactical solutions to achieve this goal increases”. This might suggest that controversies now concern only the substantial questions of technical character.

But the *”question of integration”* is more and more often used either as an argument of criticism of political opponents or for characteristics of each party’s programmes dissimilarity”. This, on the other hand, means for citizens a hard-to-understand tendency to sticking into doggedness and quarrelsomeness. That is why one may presume that the past ideological conflict dividing the elite *”has lost its meaning in time, and today it does not provoke the most important emotions in Polish society any more”* – but – *”after the weakening of ideological conflict, joining the EU started being treated more in party – categories ...”* [11].

Regardless of the character of summoned differences between politicians, whether tactical only or expressing essential differences of party ideology, many of them seem to aim at stressing the difference between the process of integration and the process of transformation, and in consequence, to define the desirable rate of becoming a member in EU as acceleration, slowing down or relinquishing the transformation.

If politicians estimate that the integration will stimulate the transformation, they contend for acceleration. The following opinion is a glaring example: *”The energy of change released in 1989 has worn off very fast ... our socio-political system is being petrified ... It’s one of the fundamental reasons for which the earliest EU membership lies in our own well-understood, Polish interest.”* [12]

If politicians fear that the condition of membership will effect in too much weight on the economy and society then they decide that the transformation should be conducted first, and the integration with EU should follow. They also choose the option of slowing down. Representatives of opposing political formations used to express such a view. A member of Parliament from Polish Socialist Party has had the following doubts: *”That is why I have been so deeply concerned with the generality of this Minister’s statement in the light of very substantial consequences, that the Polish society, Polish world of labour will have to bear in the process of European integration. If we don’t speak openly today of problems such as the possibility of redundancy of thousands of people employed in the*

steel industry or mining industry, it will mean, that we entrust the Minister and the Government with complete freedom in making the contract on whatever terms they like.” [13].

In the rightist-national press, on the other side, opinions harmonising with the socialist left wing’s voice are numerous: ”At least until the moment of accession Poland should see to obtaining and continuing the State’s help in certain fields. Poland needs time to restructure, to make the changes connected with the progress of modernity.” [14]... ”We should prepare for having to match the industrial competition in all fields. With no formal protection any day now – this might be a shock” [15] ... ”It is estimated, that capital inflow after joining EU will bring some benefits – but the outcome of integration in the employment will surely be unfavourable for us” [16] ... ”We have to create the conditions, for ... the growth factors to strengthen and develop ... This can be done by large industry organisations, controlling appropriate potential ... Without organising such system conditions (like over an industrialised boundary strip), to make our companies stronger and stronger – we shall lose” [15].

When politicians are convinced that the transformation processes go in a wrong direction under the influence of integration negotiations, they will be prone to relinquish the integration actions for the benefit of maximising the fulfilment of their country’s and nation’s interests. Clear statements illustrating this point of view are hard to find (due to political ethics). The option of relinquishing the integration actions was not supported by parties represented in the Parliament of the second term. The option of slowing down was somewhat popular. From amongst the parties that constituted the former government coalition DLA-PPP (Democratic Left-wing Alliance and Polish Peasant’s Party), the members of Parliament from the Peasants’ Party pointed out the need to slow the integration process

down more often than Social Democrats (DLA). The popularity of the ”slow down” option was even greater among the members of Parliament from the Union of Labour, the party which unites left-wing views with ”Solidarity” origins. A high majority of Members of Parliament from the Freedom Union supported a fast integration. In comparison with the Freedom Union, the most distant posture was represented by members of the United Christian-Nationalists, at that time being in the opposition (but out of the Parliament), and which now co-constitutes the governing coalition of the Solidarity Electoral Action and the Freedom Union.

Figure 4
The choice of option of becoming an EU member made by representatives and politicians from opposition outside the parliament (a survey of 1996)

Source: [1], * in the years 1993 – 1997 outside the parliament opposition

The question of integration also appeared in the presidential campaign of 1995, although as one of the less exposed threads. The pretenders’ attitudes towards the integration were settled basing on their TV and radio appearances [17]. Among thirteen candidates, five argued against Poland’s accession to EU. Two of the integration opponents represented the peasant electorate – A. Lepper and W. Pawlak (leader of Polish Peasant’s Party). The last one expressed his opinion – not only in this matter – in a very ”veiled” way. The third integration opponent was J. Korwin-Mikke from Union of Real Politics; the last two were K. Piotrowicz and T. Kołuk, candidates of a totally marginal meaning. The supporters of slow accession to EU were J. Olszewski (Poland’s Revival Movement) and L. Bubel, referring to electorate of extreme national points of view. Supported by Union of Labour T. Zieliński avoided defining his posture. The main competitors for the presidency – the election winner A. Kwaśniewski (Democratic Left-wing Alliance), the then President of Republic of Poland – L. Walesa and J. Kuro’ (Union of Freedom) and H. Gronkiewicz-Waltz, described themselves as supporters of Poland’s accession to European Community. Candidates receiving less support from the voters – B. Pawłowski and J. Pietrzak, took a similar posture.

The political forces' standpoints to European integration during the parliamentary election campaign in 1997 were also analysed [22].

The authors of report conclude that in the election programmes the ideological differences concerning integration problems were hidden under the impact of the "political savoir-vivre".

The election programme of Solidarity Election Action (SEA), which won the competition, declared support to "co-creation of the unity of continent, which will be based on roots of Christianity". However, the election programme of SEA tried to compromise a different point of view, because the SEA has been a coalition of plenty of parties and fractions. The liberal circles called to acceleration of integration process, while the populist Confederacy of Independent Poland (CIP) "accused EU of treating Poland as a peripheral area, planned for exploitation". Unfortunately, the report did not mention the standpoint of Christians-Nationalists United, which have created the influential part of SEA.

The standpoints of Democratic Left-wing Alliance (DLA) and Union of Freedom (UF) were described as Euro-enthusiastic. During the campaign the DLA emphasised their good contacts with European socialist parties. The campaign of UF was clearly addressed to electorate of pro – European attitude.

The standpoint of Polish Peasant's Party (PPP) was described as "Poland's unification with Europe – Yes, however...". The Union of Labour, just as PPP, accepted the integration, but with limitations concerning "fears of the stability of democracy and social solidarity". The standpoint of Poland's Revival Movement towards European integration was described as "reticent" compared with their open acceptance for membership in NATO. The nationalists appearing in the name of the Block for Poland opposed European integration understood by them as a "Euro-liberal-cosmopolitan option".

2.2 Businessmen and Farmers

The social categories of farmers and businessmen are treated as a "strategic group" because of their meaning for Polish economy and society.

For example, the farmers make three to four times greater part of society than in EU countries. The agriculture sector is treated as one of the bigger problems in the integration process, which is

connected to a crumbled agriculture structure, low holding efficiency, reality of the environment and countryside overpopulation. Experts estimate, that from over two million holdings only six hundred thousand are able to compete on EU market. What is also pointed out, is that farmers present postures of fear and uncertainty, arising from countryside socio-cultural dissimilarity [18].

The entrepreneurs are a relatively new category in Polish social structure, the dynamic increase of this group's number is dated back to the end of the eighties, and its economical meaning increases, though the most private companies are reckoned as a part of SME sector.

The integration with EU creates a different situation for each of these categories. The common opinion is that the farmers are potential "losers", and the businessmen are "beneficiaries" of consequences. In a survey by CPOR of April 1998 over a half (54%) of respondents think, that the integration will have a bad influence on the functioning of individual agriculture holdings. Also a half (56%) of the respondents think, that the EU membership will have a good influence on functioning of private companies [5].

The main fears of farmers concern the possibility of agricultural production profitability decrease. They point out that the whole Polish is endangered by cheaper, subsidised EU production, that the Polish farmers might go bankrupt and Poland would be subordinated to Western countries. [18]. A low percentage of farmers accept the possibility of free real estate trade, but in researchers' opinion, these fears are connected more with the possibility of importing hired workers from abroad by new owners, than with the peasants' traditional, culturally determined attachment to "inheritance" [1]. It is pointed out that another factor strengthening the farmers' fears are their bad experiences of living in a centrally planned economy [21]. Among the benefits, on the other hand, the possibility of travelling, especially for earning purposes, and the possibility to copy the patterns of a better-developed western agriculture, are mentioned.

The entrepreneurs are part of the group of the greatest EU supporters and agree that the integration will bring Polish firms more profits than losses. They treat the integration as an economical process, free of political aspect. They do not feel helpless against the integration processes. They think of substantial moves, which will allow them to survive, and even develop

[1].

The above drawn comparison of integration results is a voice of medium and large business circles. We shall present some elements of small enterprises' postures basing on clothing industry entrepreneurs research conducted in óód, region [19].

The opinion about one's own firm is not univocal, in the aspect of Poland accession to EU, among small and medium businessmen. They see other, more serious dangers, placed in the country internal as well as in international situation. Therefore, the fears for the impact of integration were on the last position, when they were asked about possible domestic and international dangers. But a direct question: "Do you feel fears or hopes in relation to Poland's accession to EU?" showed that the future membership in the EU, just as any other important change, causes different reactions. The feeling of danger characterises about one third (30%) of researched entrepreneurs, who on account of this, can in reality oppose the integration. The feeling of safety characterises the entrepreneurs, who see in the integration an increase of their chances or think that its effects will not change their situation. Unfortunately, this is a small group (somewhat over 13%). The dominating posture is uncertainty, assuming the possibility of improvement as well as of deterioration of enterprise's situation. One of the reasons for an ambivalent judgement of integration with EU is the lack of factual information. Only 18% of the entrepreneurs had any idea of the available EU financial assistance. Next to the informational barrier, the EU integration results judgements were influenced by enterprise's condition. The integration results are mainly feared by "weak" enterprises. These are mostly firms with "low quality – low price" strategy and exporting to the east and south. The feeling of uncertainty is characteristic for "average" enterprises. The "strong" enterprises, on the other hand, presented more or less equally the feeling of uncertainty and the hope for the possibility to match the competition on the internal market [19].

Figure 5

The small enterprise' owners' attitudes towards integration with EU perspective

Source: author's own research in: [19], 1998

3. The Position of Government

The position of Polish Government towards the integration from 1989 is constant despite changes of governing coalitions. The accession to European Community is a stable priority of Polish politics. The accession should allow Poland to obtain as strategically important aim as modernisation and restructuring of the economy necessary to increase its *cluding agricultural and food products. In the area of free movement of services the OS declares the need of transition periods for banking, telecommunication and transport sectors. In the area of free movement of capital the problem still is unlimited purchase of real estates. On the other hand, complete freedom of movement of people is important for Poland. The questions, which will need some negotiation efforts, are in frames of Common Agricultural Policy and Common Fishery Policy. The OS declares in this matter a possibility of searching for solutions, which will be satisfying for both the protection of Polish agricultural sector and the rules of CAP. The help of the EU in modernisation of Polish agriculture should have much significance already in the pre-accession period. For Poland it is important to set appropriate quotas of food production. In the area of Common Fishery Policy the problem for Poland is necessity of modernisation of fishery fleet as well as necessity of limitation of deep-sea fishing. In the Infrastructure and Environmental Protection areas a large adaptation effort will have to be made by Poland. Poland agrees with the rules of the EU policies in those spheres, but expects considerable assistance. In the area of Structural Policy and Social Policy the OS declaration strongly emphasises the will to participate. Both are regarded as a source of appreciable profits for Poland.

In Poland's position there still is a demand for obtaining the membership in short term. She definitely wants to participate in all areas of the integration with full rights and responsibilities of partnership and readiness to acquiring the whole of *acquis communautaire*, in the sense of sets of laws and institutions effectively implementing them.

4. The Institutional Structure

4.1 The Committee for European Integration

The Committee for European Integration (CEI) was established on the basis of Committee for European Integration Act of August 8th 1996 to conduct all matters connected with the accession

process. The CEI is the head organ of government administration for programming and co-ordinating the Polish integration policy with the European Union, for programming and co-ordinating adaptation actions to European standards, as well as for co-ordinating government administration activities concerning aid obtained from abroad. The Committee exercises its activity through the Office of Committee for European Integration. (OCEI).

The main tasks of the Committee for European Integration are as follows:

1. co-ordinating the adaptation and integration processes between Poland and the European Union and initiating, organising and co-ordinating actions shaping these processes, especially in the economical and social spheres;
2. initiating and co-ordinating adaptation works concerning law institutions and giving opinions on legal projects concerning their accord with European Union's law;
3. co-operating with the European Commission concerning realisation of individual integration requirements programme;
4. judging the adaptation processes;
5. co-ordinating undertakings connected with obtaining and allocating of funds obtained in the form of foreign aid grants;
6. undertaking of actions leading to informational, conceptual and staff preparation for integration processes purposes;
7. co-operating with self-governing organisation, leading to these organisations' participation in various European Union institutional structures;
8. realising the actions concerning national defence and safety, due to competencies defined in separate acts;
9. realising other actions ordered by the Prime Minister or arising from separate acts.

The Committee is composed of Chairman, Secretary and Members.

The Chairman of CEI is a member of the Council of Ministry. The Chairman may be the Prime Minister.

The Secretary is nominated and dismissed by the Prime Minister. When the Committee is lead by the Prime Minister, the Secretary manages the

Committee's Office.

At present the Chairman of CEI is the **Prime Minister – Jerzy Buzek**. The Secretary of the CEI is Maria **Karasi'ska – Fendler**.

The Members of Committee are the following Ministers: (in brackets – the names of current Ministers)

Σ **Ministry of Foreign Affairs**, (Bronislaw Geremek)

Σ **Ministry of Internal Affairs and Administration**, (Janusz Tomaszewski)

Σ **Ministry of Economy**, (Janusz Steinhoff)

Σ **Ministry of Finance**, (Leszek Balcerowicz)

Σ **Ministry of Environment, Natural Resources and Forestry**, (Jan Szyszko)

Σ **Ministry of Labour and Social Policy**, (Longin Komolowski)

Σ **Ministry of Agriculture and Foodstuff Economics**, (Jacek Janiszewski)

Σ **Ministry of Justice**, (Hanna Suchocka)

The Prime Minister can also assign no more than three persons as Members of the Committee.

Chairman of National Bank of Poland and Chairman of Governmental Centre of Strategic Studies can take part in the CEI meetings.

4.2 The Office of the Committee for European Integration

Office of the Committee for European Integration is an executive organ of CEI

The seat of OCEI is in Warsaw – Al.

Ujazdowskie 9, 00–918 Warszawa.

The General Director of OCEI is Dariusz Sobków [Office ph.: (48 22) 694 7542]

The Spokesman of OCEI is Agata Chrólcicka [Office ph. (48 22) 694 62 85]

In the structure of OCEI the following substantial Departments function:

Law Harmonisation and Treaties Department – Director Jerzy Andrzej Wojciechowski
Office ph.: (48 22) 694 6031]

Accession Negotiation Department – Director Marek Wiktor Anselm
[Office ph.: (48 22) 694 6209]

Department of Integration Policies – Director Ewa Synowiec

[Office ph.: (48 22) 694 6996]

Department of International Relations – Director Grażyna Lipka

[Office ph.: (48 22) 694 6968]

European Studies Department – Director Marian Stasiak

[Office ph.: (48 22) 694 7540]

Information and Public Relations Department – acting Director Aleksander Szczygło

[Office ph.: (48 22) 694 7162]

Foreign Aid, European Community Funds and Programmes Department –

Director Sławomir Urbaniak [Office ph.: (48 22) 694 6668]

European Documentation Department –

Director Robert Polkowski

[Office ph.: (48 22) 694 6025]

4.3 The Negotiation Group for Membership of Poland in the European Union

The negotiations are conducted by The Negotiation Group for Membership of Poland in the European Union. The Group consists of the Chairman and 17 Members.

Chairman of Negotiation Group: Plenipotentiary of Government charged with Negotiations on the Accession of Poland to European Union – **Jan Kulakowski**

Vice-Chairman of Negotiation Group:

Andrzej Ananicz – Secretary of State in the Ministry of Foreign Affairs

Piotr Nowina – Konopka – Secretary of State in the Office of the Committee for European Integration

Members of Negotiation Group:

Zbigniew Ciełlak – under-secretary of State in the Ministry of International Affairs and Administration

Paweł Samecki – Secretary of State in The Ministry of Finance (currently in the OCEI)

Igor Działuk – Vice-Director of the Department of International Co-operation and European Law in The Ministry of Justice

Janusz Kaczurba – under-secretary of State in The Ministry of Economy

Janusz Radziejowski – under-secretary of State in The Ministry of Environment, Natural Resources and Forestry

Jerzy Plewa – under-secretary of State in The Ministry

of Agriculture and Foodstuff Economics

Irena Boruta – under-secretary of State in The Ministry of Labour and Social Policy

Andrzej S. Grzelakowski Consul, charged with Maritime Affairs in General Consulate in Hamburg, on behalf of Ministry of Transport and Maritime Economics

Albert Borowski – under-secretary of State in The Ministry of Communication

Marek Potrykowski – Director of the Department of Regional and Spatial Policy in the Governmental Centre of Strategic Studies

Jacek A. Piśtkiewicz – under-secretary of State in The Ministry of Health and Social Security

Elbieta Modzelewska – Wszchal – Vice-Chairman of the Office of Competition and Consumer Protection

Kazimierz Kapera – Plenipotentiary of the Council of Ministers charged with Family Affairs – Secretary of State

Jan Truszczyński – Representative of the Republic of Poland at the European Union

Jarosław Pietras – Secretary of the Negotiations Group

4.4 List of persons, institutions and organisations receiving screening materials

COUNTRY REPORT SLOVENIA

A. ENLARGEMENT PROCESS

- 1. Give updated information on the general attitude of public opinion, the media, parties, and pressure groups (economic actors, business community, trade unions, etc.) towards the enlargement of the European Union, respectively towards accession to the EU. Do cleavages transpire?*

The major national interest for Slovenia is the realisation of economic interest⁹². According to the last comprehensive public opinion poll on foreign policy in 1994, international economic cooperation is

by far expected to be the major foreign policy objective. International economic cooperation was also considered the number one national interest followed by economic stability. The importance of economic links was also reflected in the view that the relative economic relevance of individual foreign states should be the main criterion for deciding where to open diplomatic representative offices abroad. Consequently, security policy is widely seen rather – but not exclusively – through economic glasses. Most respondents understood the improvement of Slovenia's security position in terms of improving its economic stability: 67% of the respondents believe that strengthening security means economic stability. 44% support strongly future membership in NATO as it is perceived to facilitate integration into European integration processes.

The situation in Slovenia reflects, by and large, the opinion in the first wave countries negotiating an entry to the European Union: Public opinion on the EU remained positive – as it has been in Poland and the Czech Republic – or it even improved as it has been the case in Hungary, Estonia and Slovenia⁹³. People in Central and Eastern Europe in general and especially in the first wave countries see their future closely linked with the European Union: 42% of the respondents in those countries negotiating an EU entry name the European Union as the future partner of their country. In comparison to other first wave countries the EU is undisputed first in Slovenia where the figure remained unchanged at 52%.

The Slovenian population supports full integration into the Union. While 42% supported EU membership in 1994, the positive attitude even increased in the following years. In October 1997, 57% indicated that it would be beneficial for Slovenia to become member of the European Union⁹⁴. Opinion regarding membership are extremely diversified according to education, employment status, gender etc. As regards a potential referendum the intention to vote in favour increased – in comparison with other first wave countries – most of all in Slovenia (57%). However, people who indicated they would explicitly oppose EU membership can also be found in Slovenia. Moreover, on the question whether the country is going in the right direction the number of critics increased in Slovenia from 27% to 40%.

The analysis indicates that the perception of the general benefits or disadvantages of Slovenia's EU membership correlate to a positive or negative opinion

on the effect of EU entry in any particular area. While opponents of EU membership mostly emphasise the impact on social security, sovereignty, monetary policy etc., those who are in favour of accession stresses the positive effects on traffic infrastructure, economic development, energy supply, price control, monetary policy and consumer protection. Opinions about the impact of EU membership on different aspects of the Slovenian economy clearly underline that accession would have a positive effect on the economic development of Slovenia. In comparison with previous polls there has been a visible shift in Slovenia: the share of respondents who believe their own country benefits most increased from 14% to 21%.

General exceptions to this positive attitude concern the impact of EU membership on questions of ownership, national identity, the Slovene language, and agriculture (in that ranking). The major fears are therefore more politically and culturally motivated. The high sensitivity with regard to the ownership of land is – at least to some part – historically rooted, and partly the result of the awareness that Slovenia is just a small country and foreigners might purchase Slovenian real estate. However, in July 1997 the Government implemented the amendment of the Constitution and opened the possibility of purchasing property⁹⁵. The European Union had required this constitutional change as a precondition for signing the Europe Agreement with Slovenia.

There seems to be no discrepancy between public opinion and the official policy related to EU. The political parties also do not differ much on these issues. All their programmes could be characterised as largely “Europeanised”. Accession to the European Union remains *the* political goal both of the government and opposition parties. It was also among the major issues of the last general elections in 1996. Differences among the parties are rather to be seen as tactical than substantial. The differences circulated around question like how and when to join the European Union or whether and when the Constitution should be changed. Oscillations in the public opinion has been the result of a political culture which is at an early stage of its development. The strong influence by the media is quite significant: the public opinion on Slovenia's entry into the EU are most influenced by the exposure in the mass media. The media is offering more space to Eurosceptics since news related to their positions is more spectacular than fine-tuned arguments of experts. However, the situation remains

fluid.

2. *Give information on your government's priorities, interests and areas of specific concern in the course of accession negotiations*⁹⁶. *Do position papers of some actors exist?*

In the economic and social sphere the requirements for a successful accession imply to go through the following sequencing of reforms:

- Σ Economic stabilisation
- Σ Economic transition, i.e. completion of the property rights and achievement of the structural reforms
- Σ Adoption of the rules and regulations to achieve the required degree of compatibility with the economies of the other participants in the single market, namely the EU member states.

The mid-term economic strategy for accession aims at preparing Slovenia to have fulfilled this sequence by the end of the year 2001 in order to become a valid partner and competitor in the single market. The core, but not the totality, of the efforts has to address the second set of reforms – those relating to the completion of economic transition.

As far as economic stabilisation is concerned, this has been almost achieved in Slovenia. However, insufficient competition in the enterprise and financial sectors and the resulting rigid price formation mechanisms are a major obstacle to the compression of the remaining inflation. The growing deficit of the social sectors' public accounts will not be brought under control without radical reforms. Another major concern remains the development of a performing enterprise and financial sector. The process of formal transformation of ownership has been completed, major restructuring has been undergone and bank rehabilitation has taken place. Another key issue will remain the reform of the financial sector with a focus on measures which are likely to improve the management capacity in the enterprise sector and the conditions of competition on the market (with special focus on pricing, utilities and state monopolies). Such measures also include the reform of the social sector and the taxation system. These reforms have to be undertaken as an overall package since they cannot be disentangled; lack of progress in one area is endangering advance in the others.

The third dimension of the strategy, adoption of

EU rules and regulations, should support actively the completion of the first two. Consequently, these rules will be implemented according to a prioritisation pattern. First priority will be given to the rules which concern areas where the adoption of EU regulations will ease or sustain the stabilisation and the transition process (e.g. investment laws, take-over regulation etc.); lower priority will be given to rules, which although important are not directly supportive of the core reforms. Moreover, when there is no binding obligation to adopt them in advance of accession, the adoption of certain EU rules whose early implementation might put at risk the stabilisation or the uncompleted transition, will be postponed to later stages. This is, for instance, the case with regard to capital movements which should be encouraged immediately insofar as they concern foreign direct investments but could create a problem for the stabilisation if extended immediately to portfolio investments.

The Strategy comprises of different building blocks:

1. A limited number of major reforms constitute the foundations and the main body of the whole building. Several such reforms (not least transformation of social ownership, bank rehabilitation and trade liberalisation) can be regarded as fully or nearly completed. The completion of six remaining reforms is the core of the strategy:
 - Σ Continuation and completion of reforming the tax system with focus on the introduction of the VAT and excise taxes.
 - Σ Continuation and completion of the reform of the social security system, with focus on pension reform.
 - Σ Continuation and completion of reforming the financial sector with focus on liberalisation, foreign competition and privatisation of the two state banks and the reform of the insurance sector.
 - Σ Liberalisation, competition, including privatisation, and regulation of utilities.
 - Σ Pursuit and achievement of price and competition liberalisation.
 - Σ Continuation and completion of the reform of the enterprise sector with focus on the restructuring and privatisation or liquidation of non-privatised enterprises and the fulfilment

- of conditions for profitable performance of the privatised enterprises.
2. Institutional, legal and regulatory adaptations to complete the transition and to prepare for participation in the single market are the framework of the building; they shall guarantee that it is solid and that it maintains its shape as initially designed.
 3. In addition, numerous economic and social policy measures are to be implemented to permit a day-to-day management of the economy which support the stabilisation effort and improve the efficiency in the allocation of resources.

During the time of writing this country report Government already prepared the first drafts of Slovenian position papers in the field of industrial policy, small and medium enterprises, science and research, education and training, Youth, telecommunications and information technologies, culture and audio-visual policy, and common foreign security policy; this papers, however, have not been made public, yet.

B. AGENDA 2000/EU-REFORMS

1. *Please comment on the formation of interest in your country as far as EU-reforms are concerned. Is this more fluid and in progress or already fleshed out and rather detailed?*

The formation of interests are rather fluid and, for the time being, in progress. It is observed rather among academics than politicians and civil servants. Such formation is in line with the future institutional organisation of the European Union – especially with the position of small states in European bodies – and with national identity keeping. Most interests concern adaptation of existing Slovenian policies and structures to the EU framework and not so much to future reforms as such.

2. *Looking at the debate on enlargement and EU-reform in your country what is the most striking observation or trend since the tabling of Agenda 2000 in July 1997?*

The following observations appear most striking:

- Σ Slovenia conducts a policy of one-sided adaptation.
- Σ It is loosing the state autonomy in areas such as competition policy, free capital flow, establishing the protection and selfguard measures.

- Σ The protection of the country's distinctions is part of protecting Slovenia's identity.
- Σ Since the European Union has to be seen as a moving target its future shape – when Slovenia becomes a member – is not yet and still has to be defined.

ANNEX: Institutional Setup in the Slovenian Government to Monitor and Conduct the Accession Negotiations

ABBREVIATIONS:

GOEA Government Office for European Affairs

CNT Core Negotiation Team

IMAD Institute of Macroeconomic analysis and Development

GOL Government Office for Legislation

BS Bank of Slovenia

CCIS Chamber of Commerce and Industry of Slovenia

IDC Information Documentation Centre

Source: Janez Potočnik, Setting Up Institutional Environment for Accession. The Case of Slovenia, CEEP Academy, Spring 1998.

* Cf. general annotation at the end of "analytical survey".

Footnotes

- 1 Ratification du Traité d'Amsterdam, Intervention de M. Charles-Ferdinand Nothomb, Sénateur, au nom du P.S.C.

- Déclaration devant le Sénat en séance plénière du 4 juin 1998.
- 2 Note au bureau du Parti sur Elargissement de l'U.E. et Agenda 2000, 16 mars 1998 (position adoptée par le bureau du parti).
 - 3 Texte de P. Monfils, Député européen, 9.9./1997.
 - 4 Voorstelling van de Groene Agenda, Speech at a conference on enlargement in Warsaw, 26.3.98.
 - 5 Positions et Recommandations adoptées par le Comité Directeur du P.S.C. concernant l'Agenda 2000 et la nouvelle réforme de la P.A.C., mai 1998.
 - 6 De levensnoodzakelijke institutionele hervorming van de Europese Unie, paper in the framework of a study about the enlargement and Agenda 2000.
 - 7 Note au bureau du Parti sur Elargissement de l'U.E. et Agenda 2000, 16 mars 1998 (position adoptée par le bureau du parti).
 - 8 Texte de P. Monfils, Député européen, 9.9./1997.
 - 9 Voorstelling van de Groene Agenda, Speech at a conference on enlargement in Warsaw, 26.3.98.
 - 10 Een programma voor de toekomst van Vlaanderen, 1997 – hoofdstuk buitenlands beleid (vanaf p. 132).
 - 11 Avis sur l'Agenda 2000 du CESRW, Adopté par le bureau le 11 mai 1998.
 - 12 Voorbereiding van het uitvoerend Comité van 30 oktober over Agenda 2000, document by the FEB-VBO of 15.10.97 & Discours de T. Vandeputte, Administrateur délégué de la FEB, à l'occasion du déjeuner-débat organisé par l'Institut d'Etudes européennes de l'ULB, 27.04.1998.
 - 13 Vesoc Standpunt over de hervorming van het Europese Structuurbeleid voor de periode 2000–2006 op basis van de definitieve voorstellen van de Europese Commissie, 8.6.1998.
 - 14 European Commission. Eurobaromètre, Report n° 48, survey conducted in October–November 1997 and published in March 1998, Figure 4.1 and Table 4.1. The Commission points out that "the proportion of 'do not know' responses to all the enlargement proposals is considerably higher than that globally recorded in the survey" (p. 48).
 - 15 Ibid., Figure 4.4 and Table 4.4.
 - 16 Canal Ipsos data bank, survey n° 95108, made on 19–02–1995. 40% of French people consider that "countries of Central and Eastern Europe applying should be allowed into the European Union" and 39% of them consider "they should not be allowed to join".
 - 17 Eurobaromètre, Report n° 48, p. 56.
 - 18 Interview with Gérard Grunberg, Centre d'étude de la vie politique française (CEVIPOF-CNRS), 21–10–1998.
 - 19 Are only considered here the parties that may be in government in the near future. This criterion rules out the extreme-right party, the Front national, which nevertheless got more votes in the last European elections than the Communist Party or the Ecologists.
 - 20 *Construire un espace de civilisation: pour la France dans une Europe-puissance* (a document adopted by the latest "Europe" convention of the PS), 1996; presentation by François Hollande, PS leader, in the European Parliament, 17–06–1998.
 - 21 Statement made by Francis Wurtz in the European Parliament on 17th December 1997. The Communist MEP criticized the way in which the negotiations between the member States and the applicant countries have been initiated but he concluded unambiguously: "in any event, a major field of action has opened up. We shall be there with one single objective: success".
 - 22 Un manifeste vert commun pour les élections européennes, 1998.
 - 23 Interview with Frédéric Garrigues, in charge of European questions in the UDF group in the National Assembly, 19–10–1998.
 - 24 Rassemblement pour la République, Projet pour la France et les Français.
 - 25 Closing speech by M. Philippe Seguin, Convention pour l'Europe, 06–10–1998.
 - 26 Interview with Mme Bazy, CNPF, July 1998.
 - 27 FNSEA. *Etude sur l'élargissement de l'Union Européenne aux pays d'Europe centrale et orientale*, January 1996.
 - 28 Fine Gael, Labour and Democratic Left were in coalition government from 1994–1997 and, since 1997, Fianna Fail and the Progressive Democrats form the government
 - 29 Department of Foreign Affairs (1996) *Challenges and opportunities abroad, White paper on foreign policy* (Dublin: Stationary Office)
 - 30 Here, the White Paper makes specific reference to the Essen Council conclusions which state that 'the Union's capacity to absorb new members, while maintaining the momentum of European integration and respecting its internal cohesion and fundamental principles, is also an important consideration', *ibid.*, p.71.
 - 31 Mori, Political Attitudes in Great Britain for June 1998, www.Mori.com, Wording of the question: 'What would you say is the most important issue facing Britain today?'. Europe (22%) came before Unemployment (16%).
 - 32 Eurobarometer, European Commission, Issue 48, Autumn 1997, Wording of the question: 'Several countries have applied to become members of the European Union. For each of the following countries, would you be in favour of or against it becoming part of the EU?'
 - 33 Ibid. Wording of the question: 'For each of the following objectives, please tell me if you think it has to be a priority, or not?'
 - 34 The Times, 17 July 1997.
 - 35 The Daily Telegraph, 2 May 1998.
 - 36 The Sun, 24 June 1998.
 - 37 The Sun, June 25 1998.
 - 38 Confederation of British Industry, Europe Brief, 'In the hot seat – CBI priorities for the UK Presidency', November 1997, p. 3 and p. 11.
 - 39 The sources for the following answers are top civil servant in the Danish Ministry of Foreign Affairs; dealing with enlargement.
 - 40 Interview with Pierre-Olivier Drege, Director of the Office National Interprofessionnel des Céréales (ONIC), former Director of the Agriculture Ministry, 06–10–1998; interview with Hervé Durand, international relations department of the Agriculture Ministry, 30–09–1998; interview with François de La Gueronniere, Head of the international relations department of the Agriculture Ministry, 30–09–1998; interview with Philippe Leglise-Costa, in charge of Central and Eastern Europe in the Permanent Representation of France, 25–09–1998.
 - 41 For example, to offer guaranteed prices to farmers, it is necessary to have structures that are able to act on the markets and stock the commodities bought. Another example: in order to respect the milk quotas, it is necessary to know the milk production.
 - 42 House of Commons, 11 June 1998.
 - 43 House of Commons, 11 March 1998.
 - 44 The information given in this paragraph was collated during interviews with Ralph Dassa, Deputy General Secretary of the SGCI, 14–09–1998; Jean-Luc Delpeuch, Deputy General Secretary of the SGCI, 12–08–1998; Philippe Leglise-Costa, Permanent Representation of France, 25–09–1998; Patrick

- Maisonnave, Advisor to the Deputy Minister for European Affairs, in charge of relations with associated countries and of preparation of the enlargement, 20–10–1998.
- 45 On 11 June 1998 Robin Cook reported to the Commons how he successfully completed negotiations with the Polish side to reduce duties on whisky. The Foreign Secretary was convinced that ‘that news will be as welcome to drinkers of whisky in Warsaw as it will be to distillers of whisky in Speyside’.
 - 46 Speech by Jean-Luc Dehaene at the Bulgarian Parliament, September 1997.
 - 47 Speech by Jean-Luc Dehaene at the Bulgarian Parliament, September 1997.
 - 48 Speech by Jean-Luc Dehaene on “De Europese Unie en de uitdagingen van het derde millenium”, European Parliament, Brussels, 25.09.97.
 - 49 Speech by Jean-Luc Dehaene on “Agenda 2000 – een cruciale uitdaging voor de Europese Unie”, Executive Club, Luxembourg, 11.09.1997.
 - 50 Speech by Eric Derycke on “Het Belgisch standpunt ten opzichte van de uitbreiding van de EU”, lunchdebat van het Europahuis van Brussel, 26.11.1997.
 - 51 Délégation de l’Assemblée Nationale pour les Communautés Européennes. *Rapport d’information sur l’élargissement de la Communauté européenne*, July 1992, n° 2885, p. 29; Press conference by the Deputy Minister for European Affairs, M. Alain Lamassoure, in Bulgaria, 14–09–1993; joint press conference by the Foreign Affairs Minister, M. Alain Juppé, and the Romanian Foreign Affairs Minister, Bucarest, 08–09–1994; interview with M. Michel Barnier, Deputy Minister in charge of European Affairs from 1995 to 1997, 17–09–1998; interview with M. Alain Lamassoure, Deputy Minister in charge of European Affairs from 1993 to 1995, 09–09–1998; interview with Pierre Vimont, Director for European Co-operation in the Foreign Affairs Ministry, Directeur de Cabinet of the former European Affairs Minister Elisabeth Guigou, 17–07–1998.
 - 52 Interview with Patrick Maisonnave, Advisor to the Deputy Minister for European Affairs, 20–10–998.
 - 53 *M. de Charette propose une conférence régulière avec les pays de l’Est*, Le Monde, 24–02–1996; interview with Philippe Etienne, France Deputy Permanent Representative, Deputy Directeur de Cabinet of the former Foreign Affairs Minister, Hervé de Charette (1995–1997), 1998.
 - 54 Bulletin of EU, 12–1997.
 - 55 Agence Europe, 13/14–07–1998; Hearing of the Deputy Minister, Pierre MOSCOVICI, by the socialist group in the National Assembly, 15–09–1998; Agence Europe 01–10–1998.
 - 56 Hearing of the Deputy Minister for European Affairs, M. Pierre Moscovici, by the Foreign Affairs Committee of the National Assembly, Paris, 01–10–1998; interview with Philippe Leglise-Costa, Permanent Representation of France, 25–09–1998.
 - 57 Interview with Pascale Andreani, Advisor to the President of the Republic on European Affairs, 20–10–1998. During the inaugural meeting of the European conference, Jacques Chirac specifically stated that “Cyprus has a vocation to join the European Union but the latter has no vocation to welcome a piece of Cyprus” in Les Echos, 13–03–1998.
 - 58 *La Turquie rate le train de l’élargissement*. Libération, 13/14 3–12–1997.
 - 59 Françoise de La Serre, Christian Lequesne (eds.). *Quelle Union pour l’Europe?* Editions complexe, 1998, p. 135.
 - 60 Les Echos, 13–03–1998; Le Monde, 14–03–1998.
 - 61 *Le Président turc rend visite à Paris à l’un de ses plus ardents avocats parmi les Quinze*. Le Monde, 20–02–1998.
 - 62 House of Commons, 13 March 1998.
 - 63 Jean-Luc Dehaene (Prime Minister) in “Agence Europe”, 19.06.97.
 - 64 Réponse de Eric Derycke (Minister of Foreign Affairs) à la Chambre de Représentants de Belgique, Session ordinaire de 25.06.98, Projet de Loi portant assentiment au Traité d’Amsterdam, Rapport fait au nom de la Commission des relations extérieures.
 - 65 Chambre des Représentants et Sénat de Belgique, Session ordinaire de 20.05.98, Traité d’Amsterdam: Proposition de résolution, texte adopté par le Comité d’avis chargé des questions européennes de la Chambre et du Sénat.
 - 66 Journal officiel – Débats parlementaires – Assemblée nationale, 3–12–1997, no. 86 [2], p. 6761.
 - 67 Refer for instance to: Xavier de Villepin: Faut-il ratifier le traité d’Amsterdam? Les données et les enjeux du débat. Les rapports du Sénat, 1997–1998, no. 508, p. 118; Michel Barnier: le traité d’Amsterdam. De nouveaux outils vers l’Europe politique... Note d’information no. 1, September 1998, p. 7. The President of the Republic may have a treaty ratified by referendum as François Mitterrand decided in 1992 for the Treaty of Maastricht.
 - 68 Pierre Moscovici (interview with). La France et l’Allemagne doivent redéfinir une vision commune des institutions européennes. Le Monde, 16–09–1998.
 - 69 Ibid.
 - 70 Françoise de La Serre, Christian Lequesne (eds.), op. cit., p. 139.
 - 71 Statement by Pierre Moscovici in the symposium *L’élargissement et les réformes institutionnelles en Europe* –Assemblée nationale, 04–06–1998.
 - 72 Agence Europe, 31/08–01/09–1998; Le Monde, 16–09–1998.
 - 73 Agence Europe 31/08–01/09–1998.
 - 74 Interview with Francisco Seixas da Costa, Secretary of State for European Affairs, *Diário de Notícias*, 4th March 1998.
 - 75 Hearing of the Deputy Minister by the socialist group in the National Assembly, 15–09–1998.
 - 76 Hearing of the Deputy Minister in charge of European Affairs, M. Pierre Moscovici, by the Foreign Affairs Committee of the National Assembly, 01–10–1998.
 - 77 *Mise en garde présidentielle contre une “renationalisation” de la PAC*. Le Monde, 04/05–10–1998.
 - 78 French squash hopes of EU finance deal; Financial Times, 13–10–1998; Paris exclut toute “renationalisation de la politique agricole commune”. La Tribune, 13–10–1998; Ouverture du débat sur la contribution de chaque Etat membre au budget européen. Le Monde, 14–10–1998.
 - 79 Budget communautaire: la bombe de Bruxelles. Le Figaro, 09–10–1998; La colère de Luc Guyau. Le Figaro, 09–10–1998.
 - 80 French squash hopes of EU finance deal; Financial Times, 13–10–1998; Paris exclut toute “renationalisation de la politique agricole commune”. La Tribune, 13–10–1998; Ouverture du débat sur la contribution de chaque Etat membre au budget européen. Le Monde, 14–10–1998.
 - 81 Hearing of the Deputy Minister in charge of European affairs, M. Pierre Moscovici, by the Foreign Affairs Committee of the National Assembly, 01–10–1988; interview with Patrick Maisonnave, Advisor to Pierre Moscovici, 20–10–1998.
 - 82 Statement by Louis Le Pensec to the Agriculture Council, 31–03–1998; *Un tournant dans la vision française de la politique agricole commune*. Le Monde, 08–04–1998. Louis

le Pensec resigned, in October 1998 from the office of Agriculture Minister he had held since June 1997. He was replaced by Jean Glavany.

- 83 *La Fédération des syndicats d'exploitants agricoles qualifiée d'"aberrantes" les propositions communautaires.* Le Monde, 11-07-1997.
- 84 *PAC: les craintes françaises.* Le Figaro, 19-03-1998.
- 85 Les céréaliers affirment leur différence face à la PAC. La Tribune, 07-04-1998.
- 86 L'argent de l'Europe et les régions. Jean-Pierre Raffarin, Le Monde, 16-12-1997; La moitié des aides européennes aux zones rurales reste inutilisée. Le Monde, 21-10-1998.
- 87 House of Commons, 4 December 1997.
- 88 House of Commons, 2 July 1998.
- 89 52nd Oxford Farming Conference, 6 January 1998.
- 90 House of Lords Select Committee 18th Report, 1997-98.
- 91 See as comprehensive position paper of the Social democrats on enlargement the article by Heidemarie Wieczorek-Zeul, then speaker for European policy of the SPD parliamentary group and now minister for development and aid in the run up to the federal elections in FAZ, 18 August 1998.
- 92 Cf. Marjan Svetličič, Slovenian State Strategy in the New Europe, TKI Working Papers On European Integration And Regime Formation, No. 24 (1998), pp. 30-35.
- 93 Cf. Central and Eastern Eurobarometer No. 8 (1998).
- 94 Cf. University of Ljubljana, Faculty of Social Sciences, Centre for Research of Public Opinion and Mass Communications, Survey on The Level of Information and Opinions of Targeted Groups in Slovenia on the European Union and Slovenian accession" (Summary), Ljubljana, 26 February 1998.
- 95 Cf. Martin Brusis, Polen, Slowakei, Slowenien, Tschechien, Ungarn, in: Werner Weidenfeld/Wolfgang Wessels (eds.), Jahrbuch der Europäischen Integration 1997/98, Bonn 1998, p. 429.
- 96 The following observations are based on the study by the Institute of Macroeconomic Analysis and Development, Strategy of the Republic of Slovenia for Accession to the European Union: Economic and Social Part, Ljubljana, April 1998, pp. 13-25.

