

9 – Poland's accession to the EU

Polish Politics in a European Context

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Why no accession in 1990?

Why was no membership offered to the CEE countries in 1989/90 ?
(unlike to Spain, Greece and Portugal in the 1970s)

- CEE-countries had not only a different political but a different economic system
- The EC was very much a Western organisation
- Negative experience with hasty Southern enlargements
- The EC was deeper integrated then in the 70's

Main argument:

- EC was busy with its own development
 - completing the Internal Market until 1992
 - Creation of the political and monetary union (Maastricht)
- even the Scandinavian and Alpine countries had to wait

Other arguments:

Central Europe was not considered really Europe
uncertainty regarding development in the region

Intro

Challenge

Timeline

Association

Candidacy

The 10 New EU Members

From Eurostat	Population (2004)	GNP per Capita in PPP (2004)	Growth rate (2004)	Unemployment (2004)
CZ	10.2	71	4.2	8.3
EE	1.4	50	6.1	9.2
CY	0.7	81	2.4	5.0
LV	2.3	44	7.7	9.8
LT	3.4	48	4.5	10.8
HU	10.1	61	4.4	5.9
MT	0.4	72	0.0	7.3
PL	38.2	47	5.4	18.8
SL	2.0	78	3.9	6.0
SK	5.4	54	5.4	18.0
NMS-10	74.1	ca. 62	ca. 5.0	ca. 13%
<i>EU - 15</i>	<i>382.7</i>	<i>109</i>	<i>1.9</i>	<i>8.0</i>
<i>EU - 25</i>	<i>456.8</i>	<i>100</i>	<i>2.2</i>	<i>9.0</i>

Challenges of Enlargement

Problems for old members

- Accession of economically weaker countries
- High level of agricultural employment and production aggravate existing problems in the Common Agricultural Policy
- Work migration, esp. in bordering regions
- Burden for the budget
 - net-payers fear higher contribution to budget
 - net-receivers fear less payments from the EU
- Differences in labour costs: outsourcing of production and import of services
- EU border to unstable countries in Eastern and South Eastern Europe

Intro

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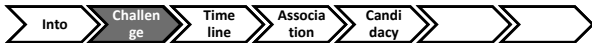
Association

Candidacy

Challenges of Enlargement

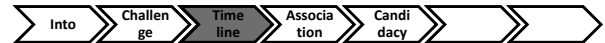
Problems for new members

- Problems of implementing EU law in post-socialist administration
- Brain drain
- Real estate and land is cheap for foreigners
- Border to the east becomes EU external border (problem for regional co-operation with Eastern neighbours)
- Implementation of EU standards are financial burden for companies and state budget
- Maastricht vs. Copenhagen:
 - Copenhagen Criteria require increased public spending for environmental and transport infrastructure
 - Maastricht Criteria require low budget deficit – debts are less a problem for the new MS



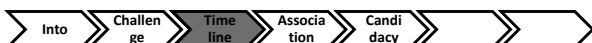
Timeline of Enlargement

- 1989** Agreement on trade and economic co-operation with Poland and Hungary – EU grants economic aid
- 1991 Europe Agreement** with Poland and Hungary
- 1993 Copenhagen Summit** - Membership criteria set
- 1994** Poland and Hungary apply for membership
- 1997 AGENDA 2000** (Framework to prepare the Union and the Candidates for enlargement)
- 1998** Accession negotiations with 6 (of 13) countries (Cyprus, Czech R., Estonia, Hungary, Poland, Slovenia)
- 1999** Financial framework for enlargement agreed on
- 2000** Accession negotiation with other 6 countries (Bulgaria, Malta, Latvia, Lithuania, Slovakia, Romania)
- Treaty of Nice** - Institutional reforms for enlargement
- Pre-accession aid:** 3 bn € p.a. annually (1 bn € for Poland only)



Timeline of Enlargement

- 2002 Copenhagen Summit:** Conclusion of negotiations with 10 candidates
Agreed date: Accession on the 1st May 2004
- 2003** Referenda in 9 of 10 acceding countries
Ratification of the Accession treaty through 25 countries and the European Parliament
- 2004** Accession of 10 new members
Elections to the European Parliament in 25 countries
Conclusion of accession negotiations with Bulgaria and Romania
- 2005** Negotiations with Croatia and Turkey begin
- 2007** Accession of Bulgaria and Romania (EU-27)
9 countries join Schengen Zone (passport free movement)
- 2017** End of longest transition period for Poland

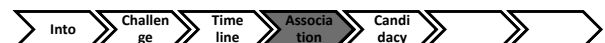


Europe Agreement

Aim: Close association with EU (*originally not membership*)

Elements:

- Political dialogue
 - Institution for regular meetings (meeting between EP & national parliament, Commission and ministries, ...)
 - Economic & Cultural Co-operation (Aid programme: PHARE *Poland and Hungary Assistance for Restructuring of their Economics*)
 - Granting access to each other markets, e.g. *right of establishment for businesses or self-employed*
 - Asymmetric custom duty reduction (EU 5 years, CEE 10 years) – establishment of a Free Trade Zone
 - Specific exceptions of free trade (Agriculture, Steel, Textiles – *the industries most important for CEE*)
- 1991: HU, PL 1992: BG, 1993: RO, CZ, SK, 1995: LT, LV, EE, SL



Copenhagen Criteria

Preconditions:

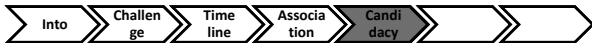
- EU must offer membership and Association Agreement must be concluded

In Copenhagen 1993 three membership criteria were laid down:

- **Politically** (democracy, rule of law, minority and human rights protection)
- **Economically** (functioning market economy, being able to stand competitive pressure)
- Implementation of the full EU law (*acquis communautaire*)

Questions:

- How to measure these criteria?
- Who should assess it?
- Should the countries be assessed individually ("regatta approach") or as a block ("big bang")



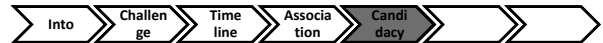
Negotiations

Principles:

1. All new members get all rights and have to take over all obligations of membership, but ...
 2. ... exceptions in specified areas:
 - **Transition periods** (exceptions of *acquis communautaire* which are specific in scope and limited in time)
 - **Protection clauses** (countries can ask for additional exceptions within the first years)
 - **Derogation** (permanent exceptions)
 - Separate budget during the first years of membership (2004-2006)
- The scope of accession negotiations covers only point 2.

Questions:

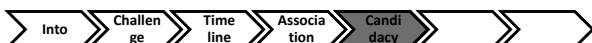
- Should the negotiation be driven by political and eurocratic considerations?
- Should the candidates work together or against each other in their negotiations?



Transition Periods

➤ Labour market:

- Bilateral derogations: S, IRL, UK (no transition period)
- New Member States (except MT) apply no limitation in access to labour market among each other
- 2+3+2 formula: After 2 years country who fear distortion of their labour markets can apply for a 3 years additional period and after that again for 2 years (wish of Austria and Germany)
- Workers and their family members already having work permission for the member state will continue to have, but not for the whole internal market
- Rules also apply for non-EU EEA countries (N, FL, ISL) and Switzerland (bi-lateral agreement)



Transition Periods

➤ Services:

- "internal cabotage" (road haulage) – no access for new member state haulers to domestic transports
- "construction sector" and "cleaning" – no access for new member state enterprises
- **Land (Poland only):**
 - EEA foreigners can not purchase agricultural land for 12 years
 - Foreign self-employed farmers can buy land after 3 or 7 years of leasing (depending on Voivodship)
 - 5 years transition for "secondary residences for recreation purposes"
- **Environment:**
 - longest transition periods applied – the period is shorter if leading to unfair competition
 - (LCP – Large combustion engines: longer periods for heating plants then power stations)

