Enlargement Fatigue in the European Union

By David G. Forgue and Nicole Schude Kehoskie

n January 1, 2007, Bulgaria and Romania joined the European Union as its 26th and 27th members. This followed the entrance in 2004 of ten new members. The EU now has roughly 500 million citizens. The enlarged union ranges in economic development from wealthy countries like Germany, Denmark, and the United Kingdom to very poor countries like Romania and Bulgaria.

The most recent EU enlargement and that of 2004 have led to a discussion of "enlargement fatigue" in the EU, with possible negative consequences for the membership chances of Croatia, Turkey, and other Balkan countries.

For most European Community and EU history, commentators have discussed the "democracy deficit" in the European institutions. This perceived deficit arose because the most important decision-making bodies in the European Community/EU were not elected and were not accountable to an electorate. Consequently, Europeans never had the opportunity to vote on whether to expand the union—whether to admit Britain, Ireland, and Denmark or the former Communist Central European states admitted in 2004.

Some indications exist that enlargement fatigue is, in part, a reaction to the relative lack of democracy in the European institutions. For instance, France has amended its constitution to ensure that French voters will have a say in any contemplated future enlargements. Similarly, Austria has indicated that before it would vote to admit Turkey into the union, it would hold a referendum on the question. These promises were made in an atmosphere in which the polls show that less than 40 percent of the electorate in Austria, France, Germany, Luxembourg, and the UK support further enlargement of the union.

Beside the desire for a greater say in the direction of the EU, a number of other reasons have been advanced for enlargement fatigue. For instance, citizens of older union members are concerned that enlargement could spark waves of immigrants under the union's rules regarding the free movement of labor. Citizens also worry

David G. Forgue (dforgue@barnesrichardson.com) is a partner and Nicole Schude Kehoskie (nkehoskie@ barnesrichardson.com) is an associate at Barnes, Richardson & Colburn in Chicago. that (relatively) uncontrolled organized crime in Eastern Europe could travel freely throughout the union using its single market to facilitate this movement. On a more economic level, citizens of the older members worry that lower-cost economies in the union will lead to a transfer of companies and jobs to these economies. This, it is feared, will happen while taxpayers in the wealthier countries are responsible for paying large subsidies to the newer, poorer members.

Experience with the 2004 enlargement has shown that several of these fears may be justified. For instance, the UK has seen an inflow of roughly 600,000 workers from Poland and other 2004 members. While the British government indicated that these migrants have mostly helped "fill gaps" in Britain's labor market, this large of an influx in a relatively short period of time has led to some concerns in Britain.

However, Britain's low unemployment rate (below five percent) helps lessen the pressure from this influx. In France, with over nine percent unemployment, and Germany, with over 11 percent unemployment, the impact of 600,000 foreign workers entering the country would likely lead to a much more significant backlash than it has in Britain.

The unexpected consequence of the migration of workers from the 2004 members to the west has been a serious lack of available workers in the Central European countries. For instance, Lithuania has experienced a net emigration of 400,000 people from the country of four million people. This has led some of the Central European countries to turn to non-EU countries like Ukraine, Russia, Moldova, and Belarus for laborers.

Similarly, some of the original EU members have experienced a rise in criminality that appears to be based in Central and Eastern Europe. Europol indicated that countries like Austria, Germany, and France have major organized crime groups drawn from the 2004 members. Bulgaria and Romania have both struggled with corruption and organized crime and can be expected to continue to struggle with these issues. Insofar as Turkish criminal gangs are already active in Germany, Austria, the UK, and other EU nations, this concern among the EU citizenry is likely to continue to contribute to resistance to Turkey's membership in the EU in the future.

Finally, with regard to the economic impact of enlargement, Bulgaria and Romania, as well as likely future members, will receive more EU funds than they will pay

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into the union. The 2004 members received roughly €4 billion (more than US\$5.3 billion) more from the EU than they paid into the budget. This represents just under four percent of the EU's budget. In 2006, Bulgaria and Romania alone received roughly €1.5 billion (more than US\$2 billion) in aid before even entering the union. These transfers will take place over and above transfers made by western Germany to eastern Germany and any aid to non-EU countries.

In light of these concerns, it is easy to see why nonmembers in Eastern Europe are concerned about their own futures in "Europe." However, there are a number of bases to believe that the citizens of Europe can again view expansion favorably. Following the induction of Romania and Bulgaria, Britain's Foreign Secretary Margaret Beckett pointed out that expansion of the EU helps individual member states to handle problems that would otherwise be overwhelming for a single nation. She highlighted such challenges as energy security, climate change, organized crime, and terrorism as examples of the advantage of an enlarged EU. The general consensus is that EU expansion improves the everyday lives of all citizens by promoting safer food, a cleaner environment, and better roads.

In addition, admitting countries like Bulgaria and Romania into the EU has made these countries willing reformers. Not being admitted to the EU would not have kept Bulgarians and Romanians from seeking employment in the EU. Similarly, criminal gangs from these countries would not stay out of the EU if the countries were not members. With these countries in the EU framework, the other members of the union will likely be able to coordinate with the Eastern European countries in regulating these issues. As it becomes clear that this sort of cooperation is in the EU's benefit, the citizenry of established EU members may be swayed in favor of further enlargement with inclusion of countries like Croatia, Serbia, Macedonia, Ukraine, and Turkey.

On a similar note, the EU has a history of stabilizing new democracies in Europe. The admissions of Greece, Spain, and Portugal all followed extended periods of authoritarian rule in those countries. While the transition to democracy has not been without difficulty for these countries, the EU served as an anchor of democracy for each of them. Rather than being unsettled polities on the fringes of Europe, these three countries have become integral members of the union, and two of them have even hosted Olympic Games in the last decade. This model of stabilization may also be applicable for Croatia, Serbia, Ukraine, and Turkey, among others. This expansion of stabile democracy in Europe is a once-in-a-millennium opportunity that citizens of the EU may yet rise to seize.

Whether these positive attributes can sway public opinion in favor of enlargement remains to be seen. The percentage of Europeans who perceive membership in the EU as a good thing has dipped slightly to 53 percent. Still, the majority of Europeans do think that EU membership is beneficial, and, despite the recent waning of enlargement enthusiasm, a bigger EU is a better EU for a majority of the European citizenry.

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