

Is the decision to enlarge the European Union always based on a cost/benefit analysis?

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ABSTRACT

The reasons why Member States of the European Union propose further enlargement is not always clear. The United Kingdom has traditionally been opposed to further integration but not membership enlargement. Southern European Union members often fear further integration of low-wage countries yet consistently vote in favor of enlargement. This paper analyzes whether such decisions are truly made based on a realist cost/benefit analysis or whether they are made as part of 'rhetorical entrapment'. The latter can have wide ranging consequences as Member States make decisions that may not strictly be in their own best interest. With the problematic accession process regarding Turkey's entrance to the EU club there is ample opportunity for misconceived goals swaying Member State opinion.

KEYWORDS

European Union enlargement, rhetorical entrapment, structural realism, constructivism

1. INTRODUCTION

With regards to the European Union enlargement there are several theories as to what motivates the decisions of Member States to enlarge the present club of countries. One such theory suggests a realistic cost/benefit analysis from an economic point of view while another suggests that liberal norms and values held within the EU draw Central and Eastern European Countries into enlargement (Grabbe, 2004). This leads to the question 'Was the decision to enlarge the European Union solely based on cost/benefit analysis?'.
In section 2 we will explain the theoretical background used in this paper, in section 3 we try to explain the historical cases for enlargement with these theories, in section 4 we try to prove that the enlargement toward Eastern Europe also followed these theories and in section 5 we see if present enlargement negotiations deviate from previous ones. We conclude there may have been a shift over time in regards to the motivation for enlargement as cost/benefit analysis becomes more difficult to make and governments opposed to further enlargement become entrapped to support it because they cannot 'morally' veto accession negotiations.

2. THEORETICAL BACKGROUND

In the academic literature covered in this course there is an emphasis on two political theories which are relevant for European political relations; Realism and Institutionalism. These are two schools of thought in international relations theory, which comprise several differing theories on international relations. We will briefly look at several of these theories, namely: Structural realism, Liberal institutionalism and Sociological institutionalism.

The realist school of thought bases itself on the idea that world politics is driven by a competitive self-interest among the states. One advocate of structural realism, Mearsheimer (2001), has stated that states fear each other and are suspicious of each other's motives, which cause a constant power struggle among states and as a result the danger of war is always present and feared. Structural realists believe that states are unitary actors with their own national agendas and interests which they pursue and are not subordinate to any other state.

Institutionalism comprises a group of different theories who put differing emphasis on how governments choose to cooperate with one another. For this paper we will look at the two institutionalist theories covered in the academic literature for this course.

- Liberal institutionalism or rationalism; claims that institutions can create peace out of international anarchy. These types of governments believe that multilateral relationships are helpful in creating cooperation and interaction between differing states. Rational choice guides the make-up of the institutions (Moravcsik & Vachudova, 2003).
- Sociological institutionalism or constructivism; claims that institutions are built on the basis of appropriateness and have an effect on the political actors involved, in so doing their perception and goals form the basis of the level of integration. Rhetorical action and rhetorical entrapment are key factors of this theory (Schimmelfennig, 2001).

In order to better understand the weighing of advantages and disadvantages, which in the case of EU enlargement, states have

to make, can be explained by basic bargaining and game theory as it is a vital component of international relations. Bargaining refers to the negotiation process over terms of an agreement (Van Der Windt, 2011). All enlargement agreements of the EU have been based on the principle of bargaining theory, as it uses negotiations to come to an agreement between the existing EU countries and the applicant. In such a negotiation scenario it is important to know what are the benefits for either party. In this case the EU and the nation-state applying for EU membership. According to the European Commission the benefits regarding the EU's eastern enlargement were threefold. The benefits for enlarging the Union were of a political, economic and cultural nature. It would strengthen the EU's role in world affairs, it would boost the economic growth and create jobs, and it would create a better understanding of other peoples (Baldwin, Francois & Portes, 1997).

It is interesting to point out is that the sphere of EU influence over the European continent is an important factor. The presence of Russia as a powerful entity has always been and still remains a somewhat uncomfortable situation for the EU and it therefore wished to establish its influence in the eastern countries as opposed to allow Russian influence (Lavenex & Schimmelfennig, 2009).

3. HISTORY OF EUROPEAN ENLARGEMENT

At the end of the Second World War the European countries agreed that they had to find a way to prevent a European war from ever happening again. France, (West-) Germany, the Netherlands, Luxemburg, Belgium and Italy signed in 1952 the European Coal and Steel Community treaty, to ensure that no one could build a new army without the other countries knowing (Europa.eu-treaties). The motivation was clearly made from a structural realist point of view; tying parts of European economies together gave them the individual benefit of more safety for their own country. The United Kingdom did not see the importance of joining this community to secure more safety, being a major political player in the world; it focused more on other alliances. The relationship with the United States was for the British government more important than a closer bond to its European neighbors. Later the United Kingdom realized that forming a community with your neighbors brings not only more safety through influence but also economic benefits. Nonetheless the earlier behavior was part of what led to two rejections for request of joining the EEC in 1961 and in 1967.

With the change of the French presidency from de Gaulle to Pompidou the chances for the UK with joining turned, The French government argued that "The UK might serve as a useful counterweight to the increasingly strong and self-confident Germany; UK government would lend support to France's opposition to from within the Community for increased supranationalism; and France would probably gain economically by virtue of having better access to UK markets and as a result of the UK being a net contributor to the Community budget" (Nugent, 2004). When the United Kingdom withdrew from its empire it entered into a weakened

position in the political world order, which also lead to a less strong relationship with the United States. The economic benefits of the EC for the UK became ever more visible; access to the Common Market would open more trade opportunities.

In 1973 the Community grew for the first time since its founding, not only the UK but also Denmark, Ireland and Norway applied for membership. For France it became impossible to oppose the accession of the United Kingdom in part because it would block the accession of the other three countries. Norway had to withdraw their application after a negative referendum. Denmark's and Ireland's incitement to join the EC was because their economies, which were so intertwined with Britain's economy that not joining would have had a negative impact as opposed to joining (Nugent, 2004).

The Mediterranean enlargement was the second enlargement for the European Community and was executed in two steps. This round of enlargement differed from the previous as it was more motivated by liberal institutionalism as it was a rational choice to expand the Common Market in order to secure wealth in these countries which were relatively new democracies.

The European Community welcomed Greece in 1981 and Spain and Portugal in 1986, though the enlargement occurred in two waves these countries share a number of similar characteristics. Not only are they all Mediterranean countries, but also the political inheritances are the same. All three countries did not have stable democracies and the GDP of these countries were comparable with another which was around 70 percent of the EC average (Nugent, 2004).

Greece had wanted to join the EC earlier but it struggled with a weak economy which held them back, yet for the Greek government the most important motivation for joining the EC was to strengthen their democracy, a theme that reverberated with Member States who sought to increase their security.

Spain and Portugal could not join the EC immediately either but unlike Greece had to fight a different barrier as their political system was perceived to be non-democratic. Even though the EC does not explicitly say in its treaties that a new member has to have a democratic system, having an executive inherited from a long period of dictatorship prevented them from joining the EC at the moment when they, at least formally, became democratic.

For Member States there was also a fear of cheap agricultural products and that their laborers could move north (Nugent, 2004). The impact on the structural funds when those countries joined was also feared. This shows that the way of thinking of the EC member states had evolved from structural realism to a social institutionalism and was no longer just a community that sought to secure peace but rather a community with values. The growing economy was a major motivator as well but the thought of promoting democracy and taking in 'weaker' economies shows a shift of priorities.

The European Community had by 1993 grown into the European Union and expanded in 1995 with their third enlargement, when Austria, Finland and Sweden joined. With the end of the cold war Sweden and Austria, which stayed neutral for strategic reasons, were now free to join the Union. The same was true for Finland that used to share a special

relationship with the Soviet Union. The dissolution of the Soviet Union influenced the third enlargement, but also later enlargements.

4. EASTERN ENLARGEMENT

After the collapse of communism the fledgling democracies in Eastern Europe sought to further stabilize their countries by joining the European Union (EU) in order to achieve political and economic integration with the west and remain free of Russian influence. For the EU-15 the motivation for allowing accession had mostly to do with ensuring stability in the new eastern democracies combined with a desire to do the best for these countries, "There can be little doubt that feelings do still persist that Western Europe 'owes' something to the CEEC's for the price they paid for their years of 'occupation' and that a reunited Europe is in itself a good thing" (Nugent, 2004, p.9). Though there was a necessity for a spark of liberal democracy in these countries in order to be allowed to join the EU. According to Sjursen (2002) there was more of a 'kinship-based duty', were countries could identify a common European ideal, than liberal-democratic political norms that saw the mobilization of support for enlargement. This culminated into a "responsibility towards the CEEC's" (Sedelmeier & Schimmelfennig, 2000, p.269) that became part of EU policy. For countries in Southern Europe that were among the last to join the EU and had a high exposure to the disadvantages of enlargement there was an impossibility to veto it because "This would be morally unacceptable even if it would make sense from a pure 'utility' perspective" (Sjursen, 2002, p.503) as they themselves had been in a similar situation.

The best motives alone could not guarantee enlargement as there were strong economic considerations that had to be taken into account. During the 1990's most European countries went through a difficult transition from state control economics to market based economics and many older EU-15 countries feared the cost of enlargement besides the benefits of an enlarged common market. According to (Nugent, 2004) an overall cost-benefit analysis does not clearly show that enlargement is beneficial to the EU-15 or the EU as whole. There were also concerns that further enlargement would create risks for internal cohesion and functioning. This attitude saw negotiations between EU member governments opposing enlargement (laggards) and those in favor argue along two lines, and thus, "The laggards of enlargement condition their approval on either a redistribution of enlargement gains within the union (between the EU member countries) or a discrimination of new members" (Schneider, 2007, p.87). Laggard member states have considerable influence during negotiations as they have a nominal veto and can systematically reduce their concerns through redistribution of the benefits. According to (Nugent, 2004) the advocates of eastern enlargement can be divided into three groups.

- Are geographically close to the acceding states – for they are the most likely to acquire trade and security benefits.
- Will not incur major budgetary losses.

- Will not lose influence - as France in particular is likely to do – from the anticipated geo-political shift westwards.

With the government of the United Kingdom also supporting enlargement in order to stall further European integration.

While bargaining about the terms for accession laggards will soon face the consequences for their earlier stance, as they have stated that they prefer to negotiate as opposed to let enlargement fail, "differentiated membership has to be considered as an alternative to the failure of enlargement" (Schneider, 2007, p.101). This gives candidate countries leverage, "But as long as the latter adhere to the liberal norms of the community and adopt the *acquis*, the former will remain entrapped" (Schimmelfennig, 1999, p.44). The fact that many countries became rhetorically committed to enlargement even if they saw advantages meant that the overall effect was collective rhetorical entrapment (Nugent, 2004). And so desire for enlargement, either genuine or through rhetorical entrapment added momentum to the negotiations with enlargement 'laggards'.

5. FUTURE ENLARGEMENT

Integration of the 12 countries that joined the EU in 2004 and 2007 is still an ongoing process that seems to have caused enlargement fatigue towards those countries on its periphery. The reason is twofold, as neither significant economic gain can be had by introducing more countries into the common market nor does the argument that we owe them something seem to sway opinion, "With regard to Turkey the reference to duty or kinship is virtually absent" (Sjursen, 2002, p.504). Only Croatia is set to accede in 2013. With regards to Turkey's accession negotiations there is the perception its culture is too different from the EU as whole for it to be absorbed by it (Bac & Taskin, 2007). Nonetheless, opponents of Turkey's accession were at first sidelined with the use of rhetorical entrapment when accession negotiations were started in 1999, aided by independent actors such as the European Commission. However, negotiations stalled in 2006 when Turkey failed to fully adopt the Customs Union which allowed opponents to shed off the effects of 'rhetorical entrapment' (Schimmelfennig, 2009).

6. CONCLUSION

Depending on the background and on accession negotiation timing there seems to be a tendency to alternate between rationalist and sociological approaches. Cost/benefit analysis only come into the fray when bargaining is to be done, a necessary requirement for this is the identification of countries in favor for enlargement and those opposed, as well as their reasons. Nonetheless, sociological elements are a driving force behind the enlargement as those opposed found it impossible to veto negotiations. With regards to the candidacy of Turkey there were no large EU member states strongly in favor, but negotiations started because of 'rhetorical entrapment'. After a

failure by the Turkish government to implement a policy this 'protection' disappeared.

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