

## EU DECISION-MAKING AFTER THE EASTERN ENLARGEMENT: INTERESTS AND INFLUENCE OF THE NEW MEMBER STATES

*This article is a shortened version of a summary that was published in July 2010 as part of an extensive research report carried out by the Institute for World Economic at the order of the Foundation for European Progressive Studies.<sup>2</sup> In this paper four categories of influencing EU affairs by a Member State were introduced, namely agenda-setters (innovative behaviour), decision-shapers (creative influence), decision-takers (passive approach) and decision-blockers (or veto players) reflecting a kind of rigidity in the name of defending national interests. This behaviour was tested on selected policy areas with a view to identifying the new Member States' impact on European integration so far.*

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### Interests, Positions and Influence in Major Political Issues

#### *Enlargement*

As regards enlargement and the Eastern dimension of European Neighbourhood Policy, it can be stated that all the ten examined countries are in favour of taking new members on board. Potential Turkish and Icelandic membership (although very different in nature, of course) are generally supported, without being in the centre of attention and discussion however. Here the only exception is Poland voicing some reservations vis-à-vis Turkish full membership. On the contrary, due to the geographic proximity, the new Member States (NMS) are mainly interested in the accession of the Western Balkan countries and, later on, of some of the Eastern European states as well. The general approach in the NMS is that any European country should be entitled to join, once it meets all the necessary criteria. The Union should keep its doors open and should always evaluate each candidate country

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<sup>2</sup> Vida, Krisztina (ed.): The impact of the 10 new Member States on EU decision-making. The experience of the first years. FEPS-IWE Report, 123 p. (Summary by Krisztina Vida: 108-121 pp.) [http://www.feps-europe.eu/fileadmin/downloads/framingeurope/1008\\_FEPS\\_IWE\\_NewEUMS.pdf](http://www.feps-europe.eu/fileadmin/downloads/framingeurope/1008_FEPS_IWE_NewEUMS.pdf) See also all references there, in the individual chapters.

according to its own merits (regatta approach). It is important to highlight that even though the NMS do have fears that the poorer newcomers might “channel away” some cohesion and agricultural subsidies from them, their interest in a more stable and secure neighbourhood seems to be just as important as their immediate financial interests.

Within this general approach to enlargement, there are of course many different nuances according to individual countries. The Baltic States seem to have no specific preferences for new members, but show a clear interest in reinforced cooperation within the Eastern Partnership. Due to historic reasons, and also due to their energy dependence, the top priority for them is a normal relationship with Russia for which their membership in the EU is the best vehicle. As regards the Visegrad countries the picture is quite diverse. Poland is the most supportive, as it would like to see in the EU one day all the countries which are presently between the EU and Russia: Ukraine, Belarus and Moldova, but also the republics in the Caucasus. From this group, Ukraine is the most important country for Poland because of geographical proximity, strong historical and economic ties. Given this background it is easily understandable that Warsaw took the lead in stepping up the Eastern dimension of ENP and proposing a tighter framework for cooperation between the EU and its Eastern neighbours, namely the Eastern Partnership. In this topic Poland became a real agenda-setter country, although not alone. It successfully chose an old Member State as its coalition partner (Sweden) and was also enjoying the support of the other NMS in this regard.

As to the Czech Republic and Slovakia, both pursue a pro-enlargement policy, without naming any special country preference. Hungary, on the other hand, has very special interests, as it would like to see all its neighbours in the EU, thereby reuniting all Hungarians living in these states. Hungarian interests go even further as Budapest attaches great importance to the stability and prosperity of the whole Western Balkan region being so close to its borders. This is why Hungary wholeheartedly supports the present and future candidacy of all the countries concerned. This approach is shared by Slovenia too, nevertheless, Ljubljana became almost a veto player in the course of EU-Croatian accession negotiations when it felt its vital national interests (namely the definition of its state borders) were at stake.

Romania is again in a special position from the point of view of enlargement. It has strong, although not uncontroversial ties with neighbouring Moldova (where the language spoken is Romanian too). Bucharest already granted Romanian citizenship to hundreds of thousands of Moldavians and is highly interested in the country's stabilisation and full membership in the EU. Because of this situation Romania pursues a pro-enlargement policy in the wider sense too. Finally, Bulgaria is also favouring enlargement in general, although has reservations vis-à-vis Turkey as well as Macedonia (but is not likely to hamper any accession to the EU).

All in all, the NMS have high stakes in the EU's enlargement policy and they are trying to actively engage themselves in it by playing a decision-shaper role. Moreover, as mentioned, in one case a new Member State became agenda-setter,

while at the same time, in another case another new Member State nearly became a decision-blocker.

#### *European Security and Defence Policy*

In the field of security and defence policy, it can be stated that all the ten examined NMS show a stronger preference for NATO than for the Union's ESDP. This is explicable with their post-war past: in the bipolar world they belonged to the Warsaw Pact, the enemy of NATO. Upon the systemic changes the Warsaw Pact ceased to exist and in a kind of vacuum situation NATO remained the single security "pole" in the world. Ever since, NATO meant for the Central and Eastern European region the most important potential security anchor while they looked at the EU as the most important anchor for democracy and prosperity. This approach did not change much through the past two decades. This does not mean, however, that the NMS would not be prepared to support all initiatives under ESDP and they actually do participate in many EU missions in this framework. It must be emphasised, however, that most of the NMS have only limited military capabilities (and financial background) to contribute to such operations, and so far they seem to be more engaged in NATO missions than in EU missions. Thus it can be stated that the ten countries examined are rather decision-takers under ESDP. None of them is agenda-setter here, but surely none of them would veto or opt out from any decision neither.

#### *Minority Rights*

For a long time the rights of ethnic and national minorities were not included into the EU acquis. This came up on the Union's agenda thanks to a new Member State, namely Hungary. Being an agenda-setter in this topic, Hungary managed to persuade all the other Member States to include into the Constitutional/Lisbon Treaty a reference to minority rights. In a further step, the initiative of a European Roma Strategy was also voiced by Hungarian MEPs in the European Parliament and this topic will be high on the agenda of the upcoming Hungarian Council Presidency – in cooperation with the Commissioner responsible for Employment, Social Affairs and Inclusion, who happens to be Hungarian too. This issue means very different challenges for each new (as well as old) Member State. Nevertheless, Hungary is convinced that minority rights should gain importance at the EU level and preferably – despite the significant differences in political approaches to it – some European norms and standards should be elaborated and adopted in this policy field too.

#### **Institutional Issues: Negotiations on and Ratification of the Lisbon Treaty**

The new Member States have been associated with the EU Treaty reform from the outset, as they were invited to participate in the European Convention and later on also in the Intergovernmental Conference on the Constitutional Treaty. In these negotiations, as well as in the negotiations on the Reform Treaty, the position of the NMS became clear. The general policy direction of the NMS in these reform debates

has been to increase the efficiency, transparency and democratic legitimacy of the EU. All the NMS are interested in a stronger Union which is competitive, prosperous and safe inside, and which can make its voice heard in the international arena. Beyond this general approach, however, there were of course some differences in the national positions of the NMS regarding the main items of institutional reform.

As far the size of the Commission is concerned, the NMS would have preferred to maintain the principle of one Commissioner per Member State. This is especially important for the small and medium-sized members who cannot counterbalance the lack of their presence in the Commission by their presence in the Council. Nevertheless, none of the newcomers wanted to veto the rationalisation of the Commission's size in the medium term.

Regarding the modification of the voting system in the Council, namely shifting from weighted votes to double majority voting, only Poland had serious objections. Poland is satisfied with the "generous" weight granted to it by the Nice Treaty (together with Spain) and therefore did not like the idea of losing some of this weight in the new system. Thus Poland was prepared even to block this decision, but in the end it entered a compromise whereby introduction of the new system could be postponed to 2017 the latest (with a transition period between 2014 and 2017). All other NMS were contented with the new regime, because, even if it alters their weight, this voting method is more transparent and also facilitates further enlargements. Moreover, the Poles also succeeded in maintaining the Ioannina compromise in the new Treaty (enabling the Council to postpone a decision even if the blocking minority is not reached) which was then accepted by every Member State. In these issues therefore, Poland has been a strong decision-shaper country.

The increased role of the European Parliament (via the ordinary legislative procedure) was absolutely welcome by all newcomers as they advocate greater democratic control of EU level decisions. They also agreed on maximising the size of the EP with a cap of 750+1.

The most controversial question for these countries was the creation of the permanent President of the EU. They initially feared that such a position would be occupied by a politician from a big Member State who would dominate decision-making in the European Council. They also regretted to lose the possibility of holding a six months Presidency at the highest level of the Union. Nevertheless, none of them wanted to veto this idea neither and, when it became clear that the President would rather carry out strong chairman-type and representative functions, they all adopted this proposal. The idea of an EU "foreign minister" and the setting up of a European External Action Service was also accepted in its present form.

Finally, as to the Charter of Fundamental Rights, the NMS supported its becoming legally binding – with the exception of Poland who opted out. The special case of the Czech Republic must also be mentioned as Prague, before completing ratification, asked for a guarantee that the Charter would not have a retrospective effect.

In the process of Treaty reform the NMS played mainly a decision-shaper role as they actively participated in the deliberations from the outset. They did not refrain from raising objections but were also ready to make compromises and in the end of the day they overwhelmingly supported the new documents. A major conviction shared by all the NMS is that the model of a multi-speed Europe should be avoided as this might produce different classes of membership. Both the Constitutional Treaty and the Lisbon Treaty reassured the NMS in this respect as none of them points to such a development of the European Union.

As regards the ratification process of both the Constitutional Treaty and the Lisbon Treaty, it must also be underlined that none of them was stopped because of a new Member State. The majority of the NMS were actually among the first to ratify both texts (none of them organised a referendum on them). On the other hand, when it came to the ratification of the Lisbon Treaty, two new Member States, Poland and the Czech Republic were the last ones to complete the ratification process. Namely, after the first, negative Irish referendum on the Lisbon Treaty both countries' Presidents suspended ratification. It was only after the second, this time affirmative, Irish referendum that Poland ratified the text, while the Czech Republic still asked for further preconditions to do so. In the end this issue was solved and the Treaty could enter into force on the 1 December 2009.

### **Interests, Positions and Influence in Some Key Policy Areas**

#### *Common Agricultural Policy*

All new Member States are interested in maintaining the present form of the Common Agricultural Policy of which they are beneficiaries. The crucial element of change should, however, be the total elimination of any differences in direct payments between old and new Member States as soon as possible.

At the same time, the NMS are aware that the CAP is in need of reform. Thus, in general they support the Health Check process but there are some specific aspects advocated by most of them. They actually stress that the direct payments (to which they are only gradually getting entitled) should be maintained as the farmers have to comply with several criteria requiring costly investments (cross-compliance). Also, with the help of these payments, the substantial income gap between Eastern and Western European farmers should gradually be closed in order to have equal opportunities for competition on the Internal Market. At the same time, the NMS are also interested in the second pillar of the CAP, namely support for rural development. According to the majority view even if – against their interests – direct payments are to be cut back, this pillar should not be decreased, on the contrary. Export subsidies should remain in place too, given the strong competition on international markets.

Due to the specific nature of the agricultural sector, the NMS are all in favour of keeping its management and financing at a supranational level and none of them would ever support re-nationalisation of the CAP. This is equally the case of such

countries as Poland, Romania, Hungary (or even Bulgaria and Slovakia) with strong agricultural potential, or for example the Czech Republic and Estonia where this sector is not of key importance. The latter country seems to have the most liberal approach to CAP reform, accepting the lowering of the amount of payments but only in parallel with increasing the efficiency of agricultural farms and phasing in to more viable and competitive market regulations, enabling the EU agriculture to align with the general world economic developments. The least hostile to re-nationalisation ideas could be Slovenia who can imagine a kind of partial re-nationalisation of the CAP if really necessary.

Some new Member States would also like the CAP to assist member countries hit by excessive meteorological events such as floods or droughts.

All in all, the NMS are heavily interested in the Common Agricultural Policy and would like to see only moderate reforms which, however, should go in the direction of improving their position on both the European and the world markets. They are making efforts to become decision-shapers in the changes of this policy area by mostly allying with each other as well as with the strongest pro-CAP old Member States such as France, Ireland or Greece. Nonetheless, it still remains to be seen whether they can make a real impact on the future of the Common Agricultural Policy.

#### *Budget*

Regarding the future of the EU budget, the position of the new Member States is strikingly similar vis-à-vis both the revenue and the expenditure side. There are of course some nuances and different emphasises but the general approach is very much the same.

As to the revenue side of the budget, the NMS agree to keep the ceiling at 1.23% of EU GNI (many of them would prefer to spend the whole sum totally each year). The principle of multi-annual perspective is also supported as it provides for long-term planning. The NMS would like to see a simplification on the income side by keeping the own resources system coupled with the GNI based revenue (even if it has to be raised), but they would prefer to see the VAT based payments abolished. At the same time, the NMS would not like the Union to introduce an EU tax neither. Furthermore, they all agree also that there should be no special treatment of any Member State (i.e. any kind of rebate should be eliminated).

On the expenditure side all new members – regardless of their levels of development – highlight the importance of the financial solidarity principle which is leading in the longer run to more cohesion and consequently stronger competitiveness of the Union. Their top priority within the expenditures from the budget is therefore the current 1b line, namely, “Cohesion for Growth and Employment”. Within this policy field some new Member States (e.g. Poland, Romania) would like to see more decentralisation and simplification of the procedures linked to application for funding as well as to the implementation of the projects. Beyond the absolute

priority of cohesion support and the maintenance in some form of agricultural subsidies, the NMS would like the EU to spend more on external border control, on energy policy, or on innovation.

Given the net recipient position of all NMS, however, it is not very likely that they could become agenda-setters in formulating the future rules and structure of the EU budget. Nevertheless, they can become decision-shapers in many aspects, especially if they ally with a range of old Member States too.

### *Internal Market*

The mostly small and medium-sized NMS all pursue liberal-minded market policies due to their openness and strong interdependence with especially the European markets. The EU takes up the majority of NMS exports, the main investors in these countries come from other (mainly old) EU members, and many of them are important exporters of workforce to Western Europe (especially Poland, Lithuania, Romania and Bulgaria).

These conditions explain well why all the new Member States advocate full liberalisation of the four freedoms thereby completing the Internal Market. A clear evidence of this attitude was the NMS approach to the Services Directive. They all wanted to see full liberalisation of providing services on the Internal Market (with the country of origin principle, as emphasised in a position paper by the Czech Republic, Poland, Hungary as well as Spain, the Netherlands and Great Britain). In the end, the NMS were rather disappointed by the final outcome of negotiations.

The NMS support the better regulation efforts of the Commission, as well as any decision and financial support that would promote the situation of the small and medium-sized businesses in the EU. Another position shared by most new Member States is about opposing to tax harmonisation on the Internal Market. Many new Member States introduced flat tax rates and are trying to reinforce their competitiveness also via their tax systems. For this reason they would not be in favour of further harmonisation fearing that it would be detrimental to their actual competitive positions. Keeping fiscal harmonisation in the Lisbon Treaty under unanimity in the Council satisfied all NMS.

### *EU2020 Strategy*

The NMS welcomed the European Union's new competitiveness strategy, succeeding the expiring Lisbon Strategy. While the ten countries had different points to make during the consultation period, most of them criticised the Commission proposal for not including explicitly the objective of economic, social and territorial cohesion into the main objectives. They also emphasised the need for more transparent and efficient governance of the Strategy, by stipulating fewer targets with clear peer review mechanisms. Furthermore, the majority of the ten countries

expressed their wish to see a direct link between the goals of the EU2020 Strategy and the new budget stretching from 2014 to 2020.

#### *Energy/Climate*

All new Member States welcomed the new legal basis for energy cooperation at the EU level in the Lisbon Treaty, as most of them are struggling with serious import dependence (mainly from Russia). One of the key issues in the NMS is ensuring security of energy supplies (the gloomiest example of the temporary lack of it was already experienced in Bulgaria). All these countries are therefore interested in close energy policy cooperation within the EU, in interconnections of energy networks especially with old Member States, and in new, alternative import routes such as the Nabucco pipeline project. The NMS are favouring nuclear energy too, some of them ally especially with France in this respect (maintaining that nuclear energy belongs to clean energy sources, enabling to increase self-sufficiency). As regards the ambitious objectives of the Union concerning fighting climate change – namely its “20-20-20 strategy” – the NMS agree with that and support the Commission in international negotiations. However, some countries (e.g. Poland) draw attention to their carbon-based industry which would suffer from a fast reduction of CO<sub>2</sub> emissions.

#### *Area of Freedom, Security and Justice*

In this policy field the immediate interest of the new Member States has been to get successfully integrated into the Schengen zone. This was done by the eight countries which joined in 2004, by 2007, while Romania and Bulgaria have to prepare for full Schengen membership by 2011. With the exception of the Czech Republic (and after the Croatian accession Slovenia) the NMS are situated at the external borders of the Union, some of them having very long land borders. Complying with the Schengen requirements involves huge costs this is why the NMS are emphasising the necessity of EU financial solidarity here.

Although situated at the external borders of the Union, the new Member States are not destinations of immigrants or refugees therefore they are typically decision-takers in this policy field. As regards police cooperation, however, some new Member States (e.g. Poland and Hungary) have reservations vis-à-vis the depth of EU competences, although they are never decision-blockers in this policy area.

#### **Conclusions**

The main conclusion of this article is that influencing EU decisions by mostly small and medium-sized, new and poorer Member States is not easy. Exercising an impact on EU developments has been a real challenge for these countries, which seem to be decision-takers in the majority of the cases. In some rare cases they became agenda-setters (e.g. Hungary with minority rights or Poland with Eastern Partnership) while



in some other rare cases again they acted temporarily as decision-blockers (e.g. Slovenia during Croatian accession negotiations or the Czech Republic with the Lisbon Treaty), although even in these cases a compromise could be found in the end of the day.

The NMS are also increasingly learning how to become creative decision-shapers. They are expressing their interests, with a view to shape the outcome of negotiations, when they fear losing some rights and benefits (CAP, Cohesion Policy) or when they feel overburdened by EU requirements (border control, agricultural cross-compliance, bureaucratic rules linked to Cohesion Policy, or fast cut of green house gases when the domestic industry is dependent on fossil energy sources).

All in all, it can be stated that the NMS are basically interested in a strong European Union which continues with both deepening and enlargement. The NMS are in general satisfied with the present policies of the EU, they prefer to have a moderate modification of the CAP, the maintenance of cohesion objectives and instruments, a tighter cooperation in energy policy (with special regard to security of supplies), a full liberalisation of all four freedoms on the Internal Market, solidarity as regards external border control, simplification of the rules of the budget on the revenue side and some streamlining on the expenditure side (without altering the present ceiling). The NMS are all committed to their transatlantic ties but they also support a strong ESDP, without any duplication with NATO activities, however. All NMS are champions of further enlargement to the East due to their geographic position, economic, historic and even human ties, as well as due to their interest in a stable and prosperous immediate neighbourhood. This is why they also supported the Eastern Partnership as a means to strengthen the relations with the countries concerned.

As regards institutional issues, the NMS are in general in favour of the so-called Community method, they want to see a strong Commission, a powerful Parliament and efficient decision-making in the Council. They tried to stick to the old Presidency system, but came to terms with having a permanent President of the European Council too.

Based on these interests and attitudes, the NMS already made important contributions to different debates at the EU level and managed to make their voice heard. They did it sometimes alone but they were more successful when they could take part in coalitions. In this respect, the NMS do not form a voting block at all, even if in some cases many of them can be found in the same group. On the other hand, they are natural allies in such cases as the policy on CAP direct payments or liberalisation of buying of agricultural land, because they are subject to the same rules and same risks since accession. But the NMS usually ally with both old and new members according to their actual needs and preferences. In this sense they behave as any "normal" Member State.

Being a full member of the European Union meant so far for the new Member States a chance to influence European integration in such decisive debates as those on Treaty modification and institutional reform, the budget review, as well as the

Union's new energy and climate strategy, the upcoming competitiveness strategy or the new goals concerning the area of freedom, security and justice. The NMS did their best to grasp these opportunities to shape EU decisions instead of just remaining passive decision-takers. However, more time is needed (especially for the latest comer Romania and Bulgaria) to make a stronger impact on EU developments by strengthening their creative influence and at the same time by preserving their readiness for compromises.