CHAPTER:-5
CHALLENGES TO EUROPEAN UNION’S DEMOCRATIZATION AGENDA
Over the past three decades, democratisation processes have brought about a remarkable transformation in the developing world. From the beginning of this so-called Third Wave, democratisation has been a prominent issue in international policy-making and many bilateral and multilateral organisations, as well as national and international non-governmental organisations, have strived to support democracy.

Democracy assistance responds to a variety of foreign government and donor motivations and interests include foreign policy, security, geo-political, humanitarian, diplomatic and developmental goals. Donors have supported democratisation efforts in the belief that democracy, as a system of governance, provides more benefits than authoritarianism, both internally and at the international level. At the rhetorical level at least, the goals of security, state-building and the promotion of democracy are now closely linked – even if pursuing all these objectives has proven considerably more challenging in actual practice.

On this basis, democracy assistance projects and related efforts have mushroomed since the 1990s. Activities have ranged from electoral assistance and support for civil society and free media to the promotion of judicial reforms and the rule of law. There are five areas of democracy promotion that are particularly important for donors: i) elections and electoral processes; ii) political parties; iii) judicial reform; iv) civil society; and v) the media. As mentioned, many attempts at democratisation during the Third Wave have resulted in hybrid regimes and/or in uncertain democratic systems characterised by weak states. As a result, the central challenge for international democratisation assistance is to support the stabilisation and deepening of democratic regimes and promote greater effectiveness of the state in ways that are compatible with a democratic regime.

According to Lise Rakner, Alina Rocha Menocal and Verena Fritz (2008), to be successful democratisation processes need to be driven from within countries and supported by key domestic actors. As shown in Iraq, efforts to impose democracy from the outside without the necessary domestic support are unlikely to be sustainable, and may well backfire. While external factors can play a significant role in democratisation processes, acting as triggers (as happened at the end of the cold war, for example) and
influencing strategic domestic actors, they cannot act as substitutes for domestic support when it is lacking. External governments and donors need to be both realistic and humble about what can be achieved from the outside.

It is vital to balance different donor goals and improve policy coherence. Democracy assistance is only one aspect of a much broader donor agenda to promote 'good governance' and development, and the relationship between democratisation and improving other aspects of governance may not be straightforward. One of the central challenges for donors is, therefore, to appreciate that 'all good things' do not necessarily go together. When donors make choices regarding which forms of democracy assistance to provide, they also should take into consideration other aspects of good governance that may or may not combine with democratisation efforts in a mutually reinforcing manner. Freedom and other forms of political liberalisation need to increase alongside an expansion of state capacities and a framework of formal institutions that can adequately channel and contain those freedoms.

Donors should come to terms with the contradictions between the long-term nature of democracy-building and the need for results. Building democracy is a prolonged and non-linear process that requires long-term commitment. This calls for patience and willingness to accept setbacks. However, because of the pressure to show 'results', donors continue to pursue forms of democracy promotion that are too short-term, focusing on the tangible and high visibility elements such as elections, for example, rather than the long-term strengthening of other key institutions. They are also given to frequent changes in policy direction. Donors need to take more seriously the potential tensions that arise among the kinds of assistance that they provide as a result of these very different time horizons (ibid).

Keeping note of the above problems and challenges that external democracy promotion faces, here an attempt will be made to identify the formidable challenges that the European Union had faced in pursuing its democratic agenda in Central and Eastern Europe.
1) Challenges to the European Union’s Democratization Agenda

After the demise of communism in Central and Eastern Europe, among the international actors interested in promoting democratization, the European Union (EU) has been playing major role. In recent years it has made several efforts to transform itself from a primarily trading bloc into an important international actor in the political arena. Among the changes in the EU’s foreign relations there has been an emphasis on the promotion of democratization, human rights, genuine pluralism, and rule of law, etc in target countries. These concerns have been enshrined in several vital documents of the organization, e.g., European Council declarations dating from 1991, Association, Partnership and Cooperation Agreements with former communists states, the Maastricht Treaty, the most recent Lome Convention and in 1993 Copenhagen Criteria establishing democratic requirements for EU membership. Development aid has been made increasingly conditional on the recipients with demands for respect for human rights, free elections, consolidation of democratic institutions and pluralism in the society. Programs, such as PHARE (Poland and Hungary assistance for the Restructuring of the Economy), have been created to give the EU an extensive range of support mechanisms for the new democracies in east and central Europe. Quite obviously, the lure of EU membership has been used as a carrot to encourage political liberalization. Having discussed all these in details in the previous chapters we will now move forward on the challenges to EU’s democratization agenda.

The Eastern enlargement of the European Union has supported the establishment of democracy in the candidate countries. The EU has often been perceived as the key agency that promoted and strengthened democracy in Central and Eastern European countries. Enlargement is one of the most important opportunities for the European Union as it begins the 21st century. Its historic task is to further the integration of the continent by peaceful means, extending a zone of stability and prosperity to new members. “Return to Europe” became a grand political project for the former post-communist countries (Henderson 1999). Consolidating democracy and building a market
economy and the state were simply the instruments required to achieve this goal. The EU was powerful not just because it had been a powerful magnet in the early post-communist years, but also because it acted as an 'agenda setter' and gatekeeper at a number of points on the road to EU membership. Membership in the EU, according to Whitehead (2001) generates powerful, broad-based and long term support for the establishment of democratic institutions because it is irreversible, and creates a cumulative process of economic and political integration that offers incentives to a very wide scale of social forces.

Although the European Union has dealt in a very successful way with countries already showing some basic democratic trends, it experienced problems with clearly defective democracies. The EU seems to lack a strategy for countries that cannot be promised to become members in the near future. It is obvious that the EU cannot give every country the same prospects but the prospect of becoming a member in the near future might be the only way of democracy promotion that the EU is able to take.

According to Kaldor and Vejvoda (1997) the political stabilization of the region and the consolidation of the newly emerged democratic regimes of the CEECs face many challenges. In the search for democratic institutions, rules and procedures the main internal obstacle remains, the absence of a democratic political culture, while externally the key question is the willingness of the West to provide help through this precarious phase during which the danger of a relapse into forms of totalitarianism, authoritarianism and populism lurks in the background.

Time is a crucial factor in this process of 'democratic invention', as is the international political and economic environment. An overwhelming but simplistic popular perception in the CEECs after 1989 was that democracy was synonymous with a 'return to Europe'. In fact, the geographical barriers imposed by Yalta were not the only ones to be overcome. The political, economic and psychological practices that evolved during the 40 years of communism were going to prove a far greater impediment to an early 'return' than seemed to be the case in 1989. Moreover, the trials and tribulations of democracy in the West have a direct impact on the image and influence of democratic ideas in the CEECs (Kaldor and Vejvoda, 1997: 60).
It is important to note that, while playing its role directly or indirectly, the EU should not be seen as the creator of democracy in other states, rather its role is of fostering and promoting democratization. The EU strategy of democratization has yielded a mixed record of success. This may be due to the fact that CEE countries depend upon various domestic and other international factors and actors that impinged on it. In Eastern Europe one can point to a host of negative factors that obstruct the process of democratization which include, the legacy of communism, corruption, economic difficulties, weakness of civil society, heterogeneous population etc. The countries like Croatia, Romania, and Slovakia were found to be suffering from these challenges as a result of which they could not make sufficient progress towards democratic consolidation. The aim of this chapter is to assess the process of democratization in the CEE eligible for EU membership and the extent to which these countries met the political and socio-economic criteria for membership. Also while pursuing democratisation, what challenges EU faced there, will be main focus of this chapter.

a) The Interdependency of Enlargement and Reform

A driving factor in the enlargement process was the Union’s credibility in pursuing enlargement based on its historical promise to the former socialist’s countries in Central and Eastern Europe after the fall of the Berlin wall. The criteria for membership require reforms within the applicant countries that have to be implemented before EU membership can be granted. This involves substantial efforts in the domestic political arena, which are only feasible if they are recognized by the Union. Without the prospect of entry, the governments of the applicant countries had not been able to defend and implement all of those reforms. However, the Union reserves the right to take a decision on entry only after successful reform. This makes the exchange between the Union and the applicant country problematic. Only when applicant has delivered its part of the deal, then the Union decides on its membership.
Enlargement thus critically depends on the efforts made in both the applicant countries and the current Union. Bernard Steunenberg (2002) had illustrated the interdependencies between enlargement and reform in the figure below.

**Support for EU Reforms by the Current Member States**

<table>
<thead>
<tr>
<th></th>
<th>Insufficient</th>
<th>Sufficient</th>
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<tbody>
<tr>
<td>Support for Domestic Reforms in the Applicant Country</td>
<td>No enlargement</td>
<td>no enlargement due to insufficient reforms in the applicant countries</td>
</tr>
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<td></td>
<td>No enlargement due to EU credibility problem</td>
<td>Enlargement of the Union</td>
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**Figure:** Interdependencies between enlargement and reforms

If an applicant country does not initiate or slows down its reforms, due to lack of support in the domestic political arena, it will not satisfy the conditions for entry. Possible entry to the Union is delayed until these reforms have been made. However, this situation may not endanger the entry of other applicant countries, which may satisfy the membership criteria. If, on the other hand, the Union fails to introduce sufficient reform within its policies and institutions as a result of disagreement between the current member states, enlargement will be endangered. A downward spiral may occur in which an applicant country questions the Union’s credibility leading to a slowing down of domestic reforms and postponement of enlargement. Enlargement is only feasible when both the external and internal reforms are handled in such a way that applicant countries have successfully implemented their reforms and the current member states have reached agreement on institutional reform of the Union.
Keeping the above discussions in mind we will now advance to formal and substantive part of democracy (As these were the problems faced by the CEECs internally after collapse of communism and adaption of liberal democracy), which will help us in understanding the problems faced by EU in fostering democracy in the CEECs.

2) On Formal and Substantive Democracy in CEECs

Ever since democracy became the subject of political philosophy and political theory there have been varying definitions and usages of the term. For Tocqueville, democracy had essentially two meanings: one was as a political regime defined by the rule of the people, with all the institutional and procedural mechanisms that had been specified by earlier theorists of democracy; the other was as a condition of society characterized by its tendency towards equality. This social, collective democratic condition, the Tocquevillian 'habits of the [democratic] heart', meant that democracy could not be reduced to its formal, institutional aspects (Kaldor and Vejvoda, 1997: 62).

A distinction between formal (procedural) democracy and substantive democracy is required to further understand the problems that CEECs faces to consolidate democracy in the region. This is also a challenge to EU in pursuing its democratization agenda, as it led to the delay of Copenhagen criteria.

Formal democracy is a set of rules, procedures and institutions which we attempt to define below. We consider substantive democracy as a process that has to be continually reproduced, a way of regulating power relations in such a way as to maximize the opportunities for individuals to influence the conditions in which they live, to participate in and influence debates about the key decisions which affect society. One takes it as given that the formal character of democracy is the indispensable presupposition of the democratic social condition. On the other hand, the existence of formal mechanisms and procedures, which represent an a priori safeguard against abuses of power, is a necessary condition, but by no means a sufficient condition for democracy in a substantive sense¹.

¹The debate between a proceduralist, formal approach to democracy and a substantive and/or normative approach has been for long a mainstay of political theory. A variety of authors address these issues. Most
Democracy is a set of formal institutions, a way of redistributing power and a way of life. When distinguishing between formal and substantive in this chapter, we separate out for analytical purposes the institutional and procedural aspects from the way they are implemented, from the practices and 'habits of the [post-communist] heart'.

Robert Dahl (1982) has drawn procedural minimum conditions for compliance with adapting the formal criteria of democracy. These are:

- Inclusive citizenship
- Rule of law
- Separation of powers
- Elected power-holders
- Free and fair elections
- Freedom of expression and alternative sources of information
- Associational autonomy
- Civilian control over the security forces

Kaldor and Vejvoda, (1997: 64) have summarized the findings in the table given below, about the extent to which the CEECs meet the formal criteria of democracy as defined by Robert Dahl above. The material is based on the case studies done by Andris Runcis (1996), Juri Ruus (1996), Martin Palous and Zdenek Kavan (1996), Alina Mungiu Pippidi (1996), Martin Butora (1996), Runlyana Kolarova (1996). All these studies had been done in 1996; three year after the EU has made Copenhagen criteria for accession. By and large, all the study supports that the ten CEECs do meet the formal criteria for democracy. All ten have democratically ratified constitutions. Some are already refining and amending their post-1989 constitutions so as to attain higher democratic standards. Constitutional Courts play an important role in this sense and have proven themselves to be a major institutional democratic actor in the present transformations.

recently, for example, Jurgen Habermas, Between facts and norms: contributions to a discourse theory of law and democracy (Cambridge, MA: MIT Press, 1996); has taken the proceduralist side, while Ronald Dworkin, Freedom's law: the moral reading of the American Constitution (Oxford, New York: Oxford University Press, 1996) takes the substantive side.
Table 1: Formal democracy: main criteria

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<tr>
<th></th>
<th>Bulgaria</th>
<th>Czech Republic</th>
<th>Estonia</th>
<th>Hungary</th>
<th>Latvia</th>
<th>Lithuania</th>
<th>Poland</th>
<th>Romania</th>
<th>Slovakia</th>
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<tr>
<td>Inclusive citizenship</td>
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<td>C</td>
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<td>C</td>
<td>A</td>
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<td>Rule of law</td>
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<td>B</td>
<td>B/C</td>
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<td>B/C</td>
<td>B</td>
<td>C</td>
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<td>A/B</td>
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<td>Separation of powers</td>
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<td>Elected power-holders</td>
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<td>Free and fair elections</td>
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<td>Freedom of expression and alternative information sources</td>
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<td>Associational autonomy</td>
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<tr>
<td>Civilian control of the armed forces/security services</td>
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<td>A</td>
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<td>B</td>
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<td>A</td>
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A = Formal procedures are in place and mostly implemented.
B = Formal procedures are in place but incomplete implementation.
C = Formal procedures are in place but hindrances to implementation.
D = Formal procedures are not in place.
But Latvia and Estonia seems to be not fully meeting the criterion of inclusive citizenship. In both countries substantial ethnic minorities, especially Russian speaking people, lacked citizenship primarily for procedural reasons, even though the citizenship laws do not explicitly exclude minorities. In the Czech Republic, Roma people do not automatically qualify for citizenship because, after the split of Czechoslovakia, they were classified as Slovaks; they have had difficulty acquiring citizenship for procedural reasons, particularly a clause (since removed under international pressure) that those eligible for citizenship must have no criminal record during the previous five years.

Apart from these citizenship problems, the key formal criterion of existing and guaranteed democratic civil liberties (human rights), in particular for minorities, has been met in the CEECs. However, in none of the CEECs the rule of law is fully implemented. Although this has been criterion that is difficult to gauge fully with respect to an ideal-typical rule of law, it can nonetheless be said that the individual citizen in the CEECs is in a variety of ways (with marked differences among the countries) still at that time seems to be grappling with the practical use of formal legal guarantees that have been enshrined in statute, as a result of weak judiciaries and/or inadequate machinery for law enforcement. Hence, there subsists a continued sense of individual insecurity in a number of the countries under review.

The separation of powers between legislative, executive and judiciary branches is more or less found in place. In Slovakia, there have been attempts by the government to constrain the power of the President, which to some extent were countered by pressures from opposition parties, civil society and European institutions. In Poland, President Walesa on occasion abused his position to interfere in the functioning of government. In Romania, former President Ilescu played a very powerful role and insisted on standing for a third period in office, although this appears to be contrary to the constitution. In the Baltic States, the weakness of the judiciary – a Soviet inheritance – makes it difficult for the judicial arm to balance the other branches of government. In Latvia, the legislative branch dominates over the executive branch.

Regular elections have led to the alternation in power of divergent parties or coalitions, thus proving that the mechanisms of political competition can operate and are
accepted by the political actors. In Romania, peaceful alternation has taken place for the first time, as a result of the elections that held in November 1996.

It is clear that elections are not a sufficient condition for the existence of democracy but have to be complemented by a ‘variety of competitive processes and channels for the expression of interests and values-associational as well as partisan, functional as well as territorial, collective as well as individual’. These can become efficient and operational only in a free public realm where open access to a variety of sources of information can then lead to deliberation concerning the collective norms and choices that are binding on the society and backed by state coercion. In Bulgaria, associational autonomy, based on ethnicity, is restricted.

The control of civilian authorities over the military has been largely achieved, although in some countries, especially Romania and Slovakia, the so-called dark forces, remnants of the secret police, had lurk the shadows of politics and society.

a) Assessing Substantive Democracy in CEECs

Democracy, however, is not reducible to institutions, rules and procedures, i.e. to its formal aspects. It is a way of life of the individual citizen in the societies born out of the modern democratic revolutions. The 1989 transformations mark the new beginning of this process in the CEECs. How are these formal institutions, rules and procedures implemented in practice? Are the CEECs following the blueprint of an existing democratic model or have these following years of democratisation displayed tendencies towards a *sui generis* model of partially developed democracy?

The extent to which a particular society can be said to be characterized by a democratic political culture in which there is a genuine tendency for political equalization and in which the individual feels secure and able and willing to participate in political decision-making is not something that can be easily measured. Kaldor and Vejvoda, (1997: 66) have chosen some of the key 'features' of substantive democracy, which have a bearing on the deeper nature of democratic life. These features include the character of constitutions and the way in which human rights are perceived; the role of political
parties and the extent to which they provide a vehicle for political participation; the role of the media and the extent to which they are capable of representing a broad political debate; whether and how far the former communist administration has been able to transform itself into a genuine public service in which individuals have trust; the degree to which local government is able to manage and respond to local concerns; and finally the existence of an active civil society, in the sense of independent associations and institutions, which is able to check abuses of state power. Although, these features by no means constitute an exhaustive list of the characteristics of substantive democracy and other can be included like 1) distributive justice, 2) social empowerment 3) equality of opportunity 4) gender equality and empowerment and 5) wide range of social security like education, health care etc., as the CEE citizens were for long used these facilities, but the above first mentioned aspects are considered to be most central to an assessment of substantive democracy.

i) Constitutional Issues and Human Rights

The social function of constitutions has become increasingly complex because of their historical and theoretical development. The basic function is the limitation of power both in a negative, defensive sense and in a positive sense as the 'authorizing function'. The capacity to legitimize political authority is closely related to the integrative function of modern constitutions. Constitutions, in so far as they 'incarnate the goals, aspirations, values and basic beliefs which [a society's] members commonly hold and which bind them together.... may serve as a kind of secular catechism' (Ulrich Preuss, 1993: 7).

Overall, the legitimizing function of the new constitutions in the CEECs had fostered stability and a process of consolidation. It has provided a framework to which the workings of institutions, rules and procedures have slowly been adapting. The constitution-makers in the CEECs had demonstrated their concern for both rights and social justice, and, in spite of differences, all reveal a significant preference for a communitarian concept of constitutionalism, as opposed to a rights-based concept, thus emphasizing the 'nation' as opposed to the 'citizen'. Contemporary debates in the field of
political philosophy suggest a bifurcation between a political concept of the 'right' and one of the 'good', or between justice and community. The new constitutions of the CEECs tend to express a preference for the latter rather than the former, although neither rights nor justice are disregarded (ibid: 34).

But according to Kaldor and Vejvoda, (1997: 68), the problem of individual and collective (minority) rights was one of the stumbling blocks in the CEECs. Lacking a rights culture, slanted towards a communitarian outlook, with a scarcity of resources and in the absence of any tradition of community policing, there was persistent problems in certain countries — in particular those in which there are significant minorities. These relate to the Russians living in Estonia and Latvia, the Hungarians living in Slovakia and Romania and the Roma living in the Czech Republic, Slovakia, Hungary, Romania and Bulgaria, as well as the discrimination against and abuse of foreigners, especially from developing countries, who came to study or work in the CEECs during the communist period.

ii) Political Parties

In the light of existing analysis, political parties stand in an intimate relationship with modern democracy. The formation of independent, competitive parties must accordingly be seen as a critical aspect of contemporary processes of democratisation.

After the fall of Communism in 1989, basically three kinds of political parties emerged in CEECs. First, there were the communists, who recast themselves under different names with more or less centre-left slant. Secondly, some parties attempted to revive the tradition of the pre-1940s parties and thirdly, entirely new types of parties emerged, which were most often founded by ex-dissidents or other individuals not linked to communist power-holders or with others in a direct sense. Only the post-communist parties have had sizeable membership and significant local organization. They have inherited the party networks and put them to use in the new environment of competitive politics. This may well be the main explanation for their electoral success in all the CEECs except the Czech Republic and Slovakia, where they were discredited and in
Estonia and Latvia, where they fragmented. Since 1989 very few of the pre-1940s parties that re-emerged have survived except for peasant parties which are rather small outside Poland (Kaldor and Vejvoda, 1997: 69).

According to Kaldor and Vejvoda, (1997: 69) some of the wholly new parties, such as the UW (Union of Freedom) in Poland, the UDF (Union of Democratic Forces) in Bulgaria and DCR (Democratic Convention of Romania), had suffered from 'childhood illnesses'. They have been created from the top down and their membership was low. Their representatives have in many cases had no prior experience in practical politics. In a society that seeks stability after a major transformation it is not a simple task for these new potential politicians to win the trust of the electorate. Also, it is difficult for these parties to build up an extended network of grass roots party organizations within a short time. This requires human and financial resources which are not always forthcoming. The result was that political party life gravitates around the capitals and the major cities of these countries.

Both the post-communist and new parties are for the most part highly centralized with a markedly hierarchical structure. It can be argued that they see themselves, as their communist predecessors did, as instruments for the capture or preservation of power rather than as 'transmission belts' for political ideas and debates. The old tendencies to extend party control over various spheres of social life—the media, universities, and the newly privatized enterprises—are reducing political space.

In most of the CEECs there have also been extreme nationalist parties, but their support does not exceed the 10 per cent mark in polls or elections. In some cases nationalist strands and factions organize within the larger parties (for example in the ruling Bulgarian BSP and in the ruling Slovak HZDS); in others larger parties enter coalitions with the smaller extremist ones.

iii) Media

The modern media of communication were part and parcel of the former communist regimes, servicing the political monopoly of the ruling party. A parallel
second public sphere was created through the establishment and existence of *samizdat* journals and informal private lines of communication. Since 1989 the media have been pluralized to differing degrees in all the CEECs. There have been 'media wars' (in Hungary and Bulgaria), conflicts and often irreconcilable tensions over the control and legal definition of the media. Some countries passed their media legislation while consolidating democracy, an example being Hungary in December 1995; others, such as Bulgaria, contrary to constitutional provisions, had no enacted legislation till 1996, and the absence of such legislation enables the ruling majority to control the national media directly (Rumyana Kolarova, Country Report, 1996). The plurality of the media and their differing reach and influence has to be taken into consideration when assessing the degree of pluralisation and the level of independence that have been attained.

The broadcast media, especially television, clearly exert the most powerful influence on public opinion. In all these countries the state had retained a notable degree of control over the television channels previously operated by the party-state. These have been reformed and liberalized, although the extent of liberalization varies, being greater in Lithuania (a very successful example), Hungary and Poland than in Slovakia and Romania. The incumbent governments which finance these television channels out of the state budget tend, with a more or less subtle approach, to try to influence the way their ideas and policies are presented, while journalists sometimes exhibit too great a degree of loyalty to those in power (Andras Bozoki, Country Report, in Kaldor and Vejvoda, 1997: 72).

There was evidence from opinion polls, in Slovakia for example, that moves to exercise greater government control over state-owned broadcast media were arousing growing disapproval and dissatisfaction in the countries where this was occurring. On rebound People turned to the available private/commercial channels or to channels from neighbouring countries. Numerous independent television and radio channels had appeared alongside the state financed channels. But in many cases they were entertainment, advertisement-driven channels with little political information content, although more balanced private television channels are beginning to emerge (Martin Butora, Country Report, 1996). It is the lack of financial means and the efforts of
politicians to influence the independent boards of media stations that limited the independence of media.

The basic problem was the difficulty of establishing a public media service which should not be dependent on the changing political colour of governments, and where for the benefit of the public good, different political positions can be expressed side by side. In the broadcast media, there seems to be a polarization between government-influenced, state-run channels and independent, commercial or opposition channels. In the print media the situation was more varied, but more or less similar patterns occur. Newspapers covering independent news or which try to cover a wide variety of positions were rare (Kaldor and Vejvoda, 1997: 72).

iv) Administration

In the aftermath of 1989, the main challenge of transition was the introduction of democratic control over, and the establishment of a public sphere independent of, the state. In this whole process, much less attention was paid to the problem of reforming the state itself. Moreover, unlike in East Germany, in none of the CEECs, except the Czech Republic, there has been an extensive programme of de-communization. Lustration laws were introduced in Czechoslovakia before the split; subsequently, the law was abandoned in Slovakia but extended in the Czech Republic. However, even in the Czech Republic, lustration laws seem to have been used mainly to discredit political opponents rather than to reform the administration. An important area for any assessment of the process of democratization is the fate of the extensive former communist 'apparat' and its 'apparatchiks' (ibid: 73).

Not only has there been no extensive programme of de-communization, the new ruling parties have in many cases inherited the clientilistic assumptions of the previous period. Thus, in almost all the CEECs, the ruling parties have tended to control appointments to the upper levels of the civil service. The administrations in the newly democratized CEECs also lack a public service ethos. In particular, there has been a tendency on the part of the younger, more pragmatically minded members of the
outgoing communist administrations to transform their political losses at the demise of communism into economic gains through the transfer of state property into private ownership making use of their privileged position and knowledge of the inside functioning of the state in their respective countries. There was, therefore, an important, complex and often opaque relationship between the 'administration' and the 'economy'.

There have been more or less widespread and also more or less regulated and accountable examples of movements of people from public administration to private enterprise and corresponding transfers of property in all the CEECs, to varying degrees. In most CEECs the technocrats of the former communist parties have been perceived as the winners from the 'transition', having successfully transformed the public assets into private property with the help of those in the administration. So-called 'spontaneous privatization' in several CEECs, for example Hungary in 1988-89 or the Baltic states, has enabled former managers of state enterprises, members of the nomenklatura, to become the new private owners. Various scandals involving members of government ministries and political figures have been revealed during the privatization process, for example, in banking. In Bulgaria, the assassination of the former Prime Minister Andrei Lukancov was reported to have been linked to his threat to uncover a scandal involving the coterie around the current Prime Minister, ZhanVidenev, and their control over the Orion group of enterprises. Romania is a particularly acute example of this type of tendency, due to the pervasiveness of the secret police during the communist period. A variety of terms, including 'directocracy,' 'cleptocracy', the 'new bourgeoisie', are used to describe the power of former directors of currently or formerly state-owned enterprises who were closely linked through former communist and secret police networks enabling them to circumvent the existing legal framework and achieve their goals 'invisibly'. A particularly infamous aspect of the Romanian situation was the way in which the Prosecutor's Office had blocked investigations into scandals, for example, a Financial Guard reported

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2 The nomenklatura were a small, elite subset of the general population in the Soviet Union and other Eastern Bloc countries who held various key administrative positions in all spheres of those countries' activity: government, industry, agriculture, education, etc. The nomenklatura was analogous to the ruling class, which Communist doctrine denounced in the capitalist West.

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accusing several high-level officials of 'traffic of influence', or the Puma helicopter scandal, revealed by the press, in which a government party official with a position on the Defence Committee of the National Assembly allegedly received a commission of $2 million for a deal with South Africa (ibid: 74).

One of the problems arises from this state of affairs was the position in these countries of the civil service in general and the law enforcement agencies in particular. Undoubtedly corruption is a social, economic and cultural phenomenon present under all political regimes around the globe, and liberal democratic countries are not immune from it. What was specific to the post-communist condition was the lack of resources in state budgets adequately to finance their civil services and in particular their law enforcement agencies. This lack of resources was in turn related to the inadequacy of tax collection because of weak law enforcement, which in turn paralleled by the growth of a shadow economy and the emergence of various mafia-type networks, often with links to the administration. This situation was at its extreme in Romania, Bulgaria and the Baltic states. In Estonia, it was estimated that 45 per cent of businesses make payments to the mafia. Thus bribery and corruption become a 'normal' way of doing even the most menial administrative business (ibid).

Instead of progressively becoming a true 'service', these public institutions have mostly experienced by people in the CEECs as clientilistic, dependent on ruling party allegiance, and not as neutral institutions working in the interest of the public. It was with much unease that citizens enter public service institutions, where the experience of an over-bureaucratized past has not changed as rapidly as in other aspects of daily life.

v) Local Government

The need to establish and direct from the top down effective political, economic and legal institutions, practically from scratch, has engendered a centralization that stifles local government. The inheritance of the historical past and in particular of the communist centralization of power has been entrenched by the perceived need for 'expert' governance and control.
There have been significant regional differences within all CEECs. In the local elections both local parties and local democratically oriented imaginative leaders have emerged and they attempt to develop a decentralized democratic arena. But their efforts have been disappointed by a lack of redistribution of resources from the central state budget and by the impossibility of retaining at least part of the taxes gathered at the local level, as well as by direct interference from the centre. In some cases, for example Lithuania, local government has no independent tax collection authority; in other cases, financial autonomy is very limited. In many cases, for example Hungary, Slovakia or Slovenia, a struggle for power has developed between the regional tiers of central government and democratically elected local government. An extreme example is Romania, where the department of local administration was actually able to sack a large number of oppositional mayors (ibid: 75).

Administrative and fiscal impotence has sometimes undermined the legitimacy of locally elected administrators. This was exacerbated by a tendency of even local media to focus on national politics, so that information about local affairs is not readily available. The consequence was that the local electorate may try to align their local votes with the party in power at the centre to create a lifeline from the centre to the periphery, i.e. access to power and resources. Depending on the party in power, the regions have benefited or been excluded from funding in different social and economic sectors. This phenomenon appears in countries as different from one another as Slovakia and Romania (ibid).

It should be stressed that despite this situation local government has been able in certain circumstances, either because of ownership of local property or prolonged presence and knowledge of particular local needs and interests, to push forward policies concerning cultural or environmental issues, or to acquire resources in ways which have benefited the local population.

vi) Civil Society

The term 'civil society' is associated with the 1989 revolutions. During the 1980s it came to have a very specific meaning, referring to the existence of self organized
groups or institutions capable of preserving an autonomous public sphere which could guarantee individual liberty and check abuses of the state. The reappearance of 'civil society' in central and Eastern Europe during the 1980s paved the way for the 1989 revolutions.

The term first came to prominence with the emergence of Solidarity in Poland. Elsewhere in Central Europe, small-scale clubs and associations developed during this period. In Hungary, Elemer Hankiss used the term 'second society' to describe the various social, economic and semi-political activities that flourished alongside the formal 'first society' of the Party, the Peace Committee, the official trades unions, etc (see E. Hankiss, 1990). Slovenia became known as 'NGO country'. Independent peace and green groups emerged in Czechoslovakia, and many of the pre-war organizations reappeared in the Baltic States in 1988-91.

After 1989, many of those who had been active in civic groups were absorbed into the new political elites, and as a consequence, some opportunities for creating a firm basis for civil society were lost. This was the reason why, for example, the Hungarian independent trade's union movement (FSZDL) failed to replace the official communist trades union in representing employees on a large scale. In general, self-organized activities were weak in Romania, Bulgaria and the Baltic states, where they were for the most part confined to closed groups of intellectuals. Disillusion with 'democracy' as it is perceived, exhaustion after the frenetic activity of the years 1989-91, a tradition of apathy and the sheer struggle for survival in the new competitive market era was among the explanations for the decline of civil society (Kaldor and Vejvoda, 1997: 76).

In sum, the above problems can be explained in terms of the communist legacy—the pervasiveness of the state, the totalitarian tradition of passivity, distrust of the public sphere. In this sense, they are similar to tendencies which can be observed in other post-authoritarian states. Some of the specificity of the post-communist experience arises from the far-reaching nature of the transitions these countries are undergoing. This was not just a transition to democracy. It was a transition to the market, a transition from cold war to peace, a transition from Fordist mass production to the information age, and in several countries (the Baltic states, Slovenia, the Czech Republic and Slovakia) a transition to
new forms of statehood. The strains of transition – individual insecurity and uncertainty, growing unemployment and social inequality in societies where full employment and social provision had been taken for granted, the egoistic enterprise culture which affects administration as well as everyday life-have all contributed to a rapid disenchantment with politics, expressed in low voter turnout and a tendency to vote against whoever is in power (Kaldor and Vejvoda, 1997:81).

After the brief discussion on formal and substantive part of democracy in CEECs we now turn to the process of enlargement which was the part of democratization process by EU. The further discussion will be on the problems and challenges to the EU in the process of enlargement.

3) Process of Enlargement: Problems and Challenges

After the breakdown of the socialist system in Central and Eastern Europe, the European integration faced a number of trials. Most of the countries in the region joined the integration processes. The negotiations for membership in the European Union marked a new phase in the process of enlargement. Until then the enlargement was proceeding under the sign of the cold war and went through several stages, in which the leading force of the integration of the countries in the Community was the creation of the Common European Market.

In the Community were included countries that are located in Europe, possessing a multi-party system, parliamentary democracy, market economy and developed system for protection of human rights. The political system of the Community in practice combines into a federal and a functional method in its set up.

The enlargement of the Union with ten and more countries will undoubtedly lead to a number of institutional and political problems on the territory of the member states, as well as on the level of supranational institutions. The basic question that the Union faces is connected to the “model” of cooperation with the candidate countries and, of course, with the discussion of the “model” of future United Europe. In this way in the process of discussing EU enlargement an original new “model” for the development of
negotiations with candidate states is created, based on the European agreements for association and on the fulfilment of a series of political and economic criteria for membership, as well as on the ability of the candidate state to assume the obligations proceeding from the community contracts - *acquis communautaire*.

A Study by Martin Brusis (2000) explores some of the internal problems of the EU that might have obstructed the project of enlargement toward the east. Six main obstacles which have been identified by him and I also think is an obstacle to EU’s democratization agenda are:

First, despite the reforms of the cohesion policy, it is doubtful as to whether the EU has appropriate policy tools to overcome large gaps in socio-economic development between the East and West and this may also persist after enlargement.

Second, enlargement and increased market competition in its wake [have] lead to even larger development gaps between prosperous and marginalized regions within the East and West.

Third, the restriction of intervention prices to agriculture products in current EU area would require the imposition of tariffs on agriculture products of the new member states and the maintenance of border controls within an enlarged EU. Intervention prices may be replaced by production-related income subsidies but these subsidies run contrary to WTO principles, being rejected by agriculture producing states. The de-linking of income subsidies from production would be a solution compatible with WTO principles but it would not be accepted by agricultural interest organizations opposing the transformation of the CAP (Common Agricultural Policy) into a social policy for a particular group of the rural population.

Fourth, enlargement has to be communicated to a Western public, strongly biased against immigrants and organized crime and susceptible to aspiring politicians who capitalize on these sentiments by linking threats to internal security to the enlargement project.

Fifth, experiences with previous reforms of EU institutions demonstrate that only incremental adaptations of the existing arrangements are viable. This may facilitate the accession of a first group of candidate countries, contributing to and resulting in a
blockade situation, in which a wider and more fragmented EU lacks the commitment to continue the enlargement process.

Sixth, because of the effects of the war in the Federal Republic of Yugoslavia, Romania and Bulgaria will lag further behind the advanced transition countries, thus de-facto losing their perspective of accession in the not too distant future.

In sum, socio-economic disparities and deadlocks in agricultural policy may impede or postpone the entire enlargement project. Institutional problems and the effects of the Yugoslav war may not threaten enlargement as such but may lead to an uncoupling of Bulgaria, Romania and other east European countries from enlargement. Thus, enlargement would cease to be an inclusive process, with EU membership no longer open toward all European countries that so desire (as envisioned by the Copenhagen European Council).

Again, according to Michael Baun (1999) enlargement is an important feature of the EU’S historical evolution and development. None of the previous enlargements were without problems or controversy. However, none of these enlargements posed the sort of massive challenge as presented by eastern enlargement. One important difference with previous enlargements is the sheer number of countries attempting to join in the present enlargement wave. Altogether, 11 applicant countries have been deemed eligible for membership by the EU; ten CEECS- Poland, Hungary, the Czech Republic, Slovakia, Romania, Bulgaria, Slovenia, Estonia, Latvia and Lithuania- and Cyprus. One additional applicant, Turkey, has been judged not ready for membership talks. This compares with a much smaller number of applicants – three or four, if Norway is included – in previous enlargement rounds, the number of prospective new members, and the fact that all except Poland are relatively small countries, has profound implications for the structure and operation of EU decision-making institutions. It will also ensure a much more heterogeneous EU in terms of cultural values and economic and political interests.

Another important difference with previous enlargement is the relative poor economic condition of the current applicants. As a group, the ten CEECs applicants have a per capita GDP that is less than one-third the EU average, and less than half that of the EU’s four poorest current members. While previous enlargements also admitted countries
that were far below the EU’s economic level, what is different about this enlargement is the number of applicants and their combined population, meaning that the economic impact on the EU will be much larger. Whereas the three-country Mediterranean enlargement of the 1980s had the effect of reducing the EU’s per capita GDP by 6 per cent, enlargement to 26 members is projected to lower this average (for a much larger EU) by 16 per cent (Commission, 1997a: 109-10 in Baun, 1999: 271)

The economic status of the current applicant means that substantial reform of EU policies is a necessary precondition for enlargement. With more than 22 per cent of their labour force employed in agriculture (compared to 5 per cent in the current member states of the EU), the CEECs would be major recipients of CAP assistance. At the same time, expansion to 26 would more than double the EU population eligible for assistance under objective 1 of the EU’s structural funds (Commission, 1997a: 111-13 in Baun, 1999: 271). Given the resistance of current member states to expanding the budget to accommodate increased spending on enlargement, it is apparent that both the CAP and the structural funds must be reformed before new countries can join. By contrast, previous enlargement had less of a budgetary impact because they were smaller, involved more economically developed countries, or took place in the context of economic growth and in the absence of budgetary constraints imposed by Economic and Monetary Union (EMU)

Also different from previous enlargements is the more extensive Acquis Communautaire which new member states will be required to accept. The accumulated laws, regulations and standards of the EU have grown substantially over the years, and now run to about 100,000 pages. Since 1990, when the CEECs first expressed an interest in joining the EU, European integration has deepened even further, not least because of the Treaty on European Union (1992) and the Amsterdam Treaty (1997). The CEECs will thus be joining the EU which is much more integrated and complex than the one joined by previous applicants, making their task of adjustment more formidable and the accession process more difficult. Moreover, in adopting the Acquis Communautaire the
CEECs must overcome the handicap of their 40-year communist heritage and limited experience with the market economy and western legal norms (Baun, 1999: 271).

Another complicating factor is EMU (Economic and Monetary Union of the European Union). EMU was on the agenda before the 1989 revolution, but it took on added geopolitical urgency and significance after the fall of the Berlin wall and German unification. As a result, EMU—and deepening more broadly—was given priority by the EU in the 1990s, and further enlargement will face difficulties until EMU is fully implemented in 2002. The EU was thus faced with the difficult challenge of balancing enlargement with its EMU agenda. Among other things, the restrictive economic requirements for EMU membership, and the post-EMU ‘stability Pact’, have had placed severe limits on public spending, including on enlargement (ibid.).

Another factor differentiating eastern enlargement from previous enlargement, and making it to some extent more problematic, is its geopolitical or security dimension. While previous enlargements occurred within the stable geopolitical context of a bipolar Europe, and within the western half of Europe, eastern enlargement is taking place in a less stable post-cold war environment, and is itself part of the effort to redesign Europe’s political and security architecture. The EU enlargement is thus necessarily linked to broader security and geopolitical issues, including NATO expansion and western relations with Russia. It is not surprising, therefore, that security and geopolitical considerations have affected decision-making on eastern enlargement. Another area of important security and geopolitical implications concerns the Cypriot application and the question of EU relations with Turkey (ibid.).

Finally, there is the ‘German Question’. Many of the applicant countries have close geographical, historical and cultural ties to Germany which is generally viewed as the chief economic beneficiary of eastern enlargement. Thus, the common perception is that enlargement will enhance German power and influence within the EU. France in particular has worried that enlargement, by shifting the EU’s centre of gravity eastwards, will diminish its own weight in the EU and weaken the crucial Franco-German partnership. Paris had therefore countered Germany’s push for eastern enlargement with
efforts to strengthen the EU's Mediterranean policy. The desire of France and other member states to integrate a united Germany more closely into the EU has also been an important motive behind EMU and further deepening. The salience of the German question, and the impact of enlargement on the internal political balance of the EU, was thus another factor differentiating Eastern enlargement from previous enlargement (ibid.).

a) Preparing the EU for Enlargement

 Whereas in all previous enlargements the burden of adjustments was borne by the new members, Eastern enlargement also requires substantial internal EU reform. One such reform involves decision making institutions, not least because at that time the present EU of 15 countries operates with an institutional system originally designed for six member states. The view that institutional reform was necessary for a larger EU to function effectively was first expressed in the Commission's 1992 study on 'the challenge of enlargement' (Commission, 1992: 15), and was repeatedly stressed by the European Council.

 The question of institutional reform was in any case high on the agenda of the 1996 IGC. Among the possible reforms under discussion were: reducing the size of the Commission; the re-weighting of votes in the Council; and the extended use of qualified majority voting. In the end, however, the IGC on institutional reform must be called 'At least one year before the membership of the European Union exceeds twenty' (Treaty of Amsterdam, 1997: 111). In this manner, resolution of this contentious issue was put off for later. This failure was greeted with considerable dismay by the Commission, which in its Agenda 2000 report proposed that a new IGC 'be convened as soon as possible after 2000 to produce a thorough reform' of the EU's institutions (commission, 1997a: 13).

 Also requiring adjustment in advance of further enlargement are the CAP and Structural Policies. Without such reform, the admission of relatively poor and farm-intensive CEECs could bankrupt the EU budget. Thorough reform of these policies,
which together absorbed 80 per cent of EU spending in 1998, is even more necessary in view of the refusal of current member states to expand the size of the EU budget to pay for enlargement.

In its *Agenda 2000* report, the Commission proposed reducing support prices paid to farmers for grain, beef, dairy, and other products by up to a third, thereby forcing European farmers to be more competitive in world markets. It also proposed of shifting the EU assistance from price subsidies to direct income payments, with a limit on the amount of aid that individual farmers could receive. The Commission also favoured incorporating agriculture policy into a more coherent rural aid policy, by integrating it with environmental and Structural Policies, and allowing individual member states greater freedom in deciding how to allocate aid in keeping with the subsidiary principle. The commission argued, however, that even with these reforms new CEECs entrants would require a lengthy transition period before their full integration into the CAP. During this period, the new members would receive assistance to help them modernize their agricultural sectors (Commission, 1997a: 29-33).

The Commission's proposals for reform of the Structural Policies were equally far-reaching. The Commission proposed consolidating structural operations by reducing the seven 'objectives' for structural spending to three and tightening up the eligibility requirements for assistance. Altogether, the Commission's plan would reduce the percentage of the EU population receiving structural assistance from around 50 per cent to between 35 and 40 per cent. The commission also proposed shifting funding away from projects in poor regions and towards the broader struggle against unemployment, although it recommended maintaining Cohesion Fund Assistance to the poorest member states. According to the Commission's plan, by 2006 the percentage of Structural Assistance going to new member states would grow to around one-third of the total. Seeking to prevent conflict over structural funds reforms from generating opposition to enlargement, the Commission argued that such reforms were not necessitated solely by enlargement, but would have been required in any case (Commission, 1997a: 21-26).
In presenting its proposed financial framework for the period 2000-06, the Commission argued that Eastern enlargement could be accomplished without any increased budgetary contributions from member states. Instead, EU spending could be kept within the 1.27 per cent of GNP limit established by the Edinburg European Council in 1992. The Commission’s financial perspective included spending on agricultural and structural assistance for new members and pre-accession aid for CEECs not included in the first enlargement wave. The Commission also argued that, while the next enlargement would ‘inevitably provoke deterioration in the budgetary position of all the current member states’, it should not ‘lead to major changes in (their) relative budgetary positions’, or to increased national contributions. Nevertheless, the Commission warned that further enlargement, beyond the first wave of six, would probably require raising the EU spending ceiling and reforming more fundamentally the financial system (commission, 1997: 66-69).

The Commission’s Agenda 2000 proposals were criticized by both national governments and interest groups. Farmers’ organizations and the agriculture ministers of most member states complained about the reduction of quotas and price support. Many national and regional governments were also concerned about losing structural fund assistance. Spain and other poor member states were sceptical about the Commission’s claims that enlargement could be financed within the existing budgetary framework, and expressed concern that enlargement would lead to a reduction in their own structural and cohesion fund assistance. Wealthy member states, such as Germany and the Netherlands, responded by demanding a reduction of their contributions (Baun, 1999: 282).

In March 1998, the Commission published its detailed legislative proposals for achieving the Agenda 2000 goals. In doing so it expressed the hope that the necessary reforms could be agreed to by the end of 1999 so that enlargement negotiations could proceed (Commission, 1998). In June 1998 in Cardiff, the European Council agreed on the necessity of adopting the Agenda 2000 reforms before the next European parliament elections in June 1999, and discussed holding a special European Council under the German presidency in early 1999 to reach agreement on the reform package (Agence
Europe, 1998b, pp.2 and 5; European council, 1998, p.8 in Baun, 1999: 282). A special summit was duly held in Berlin in March 1999 and agreement was reached on an overall Agenda 2000 package.

b) Eastern Enlargement and Integration

All previous enlargements have affected the basic character and identity of the EU. The admission of Britain, Ireland and Denmark added a more liberal and sceptical dimension to the EU, bringing in two countries (the UK and Ireland) that values their transatlantic ties, and two that did not wholly accept the political goals of European integration (the UK and Denmark). The 1980s enlargements gave the EU a decidedly more Mediterranean and southern European profile, while also making it relatively poorer and more agricultural. The addition of Greece also imported potential problems with Turkey. The accession of Sweden, Austria and Finland countered the economic impact of southern enlargement to some extent, while adding countries which favoured free trade and possessed strong social-democratic traditions. By adding countries with strong geographical and historical ties to Central and Eastern Europe, the latter enlargement also expanded the internal coalition for Eastern enlargement (Baun, 1999: 283).

According to Baun (1999: 283) who predicted, however, Eastern enlargement will likely have an even more profound impact on the EU than previous enlargements. With the addition of the CEECs, the EU will become relatively poorer and more agricultural. In addition, the EU’s political centre of gravity will shift eastwards, with profound implications for the Union’s internal political balance. Eastern enlargement will also bring into the EU new external problems and concerns, affecting, for instance relations with Russia. Most importantly, because of the number of new members and their specific economic and political conditions and as a result of further enlargement the EU will be much larger and more heterogeneous in terms of its cultural values and political and
economic interests. In a community where more member states will be added, achieving agreements will be necessarily turn out to be more difficult and intra-EU bargaining more complex.

A key question regarding eastern enlargement, therefore, is whether it will lead to a looser and more intergovernmental EU, thus ending forever federalist dreams of an 'ever closer Union'. History suggests that this may not be the inevitable result, since previous enlargements also served as catalysts for further institutional innovation, thus proving that widening and deepening of the EU are not necessarily contradictory process. The United Kingdom’s entry was linked to the creation of the European Regional Development Fund (ERDF). The Mediterranean enlargement of the 1980s helped bring about a budgetary compromise at Fontainebleau in 1984 that paved the way for the single market project and the Single European Act (SEA), while also resulting in an expansion of regional policy. The previous Northern enlargement, together with the prospect of Central and Eastern Enlargement, had stimulated discussion of the institutional reforms necessary for a larger EU to function effectively, including the greater use of majority voting (ibid.: 284).

On the other hand in the EU where ten CEECs are aligning for membership, the sheer number and diversity of national and regional interests could make further integration more difficult. For this reason, the prospect of Eastern enlargement had sparked renewed discussion of the concept of a multi-speed or two-tiered Union. Such ideas have been in circulation since the 1970s, in response to the EC’s first enlargement. They have attracted growing attention more recently, however, particularly with the publication in September 1994 by Germany’s governing Christian Democratic Union/Christian Social Union (CDU/CSU) of a paper proposing the creation of a ‘core Europe’. According to this paper, a select group of the economically able and politically willing member states, led by France and Germany, would proceed with further economic and political union, leaving other countries to catch up later. Former Commission President Jacques Delors has also advocated the creation of ‘two Europe’s’; a broader one in which all members share in the benefits of the single market and subject
themselves to certain basic economic regulations; and a narrower one 'restricted to a few countries whose ambitions would be higher and which would like Europe to play a role in the world that conforms to its vocation of university' (Agence Europe, 1998c: 2). The potential for greater differentiation within the EU is also inherent in provisions of the Amsterdam treaty which institutionalize the principle of flexibility (Stubb, 1998).

The emergence of a two-tier Europe is one way in which Eastern enlargement, rather than contributing to a looser and more intergovernmental EU, might instead promote deeper integration among a core group of countries and accelerate the integration process overall. In any case, the future shape of the EU – whether two-tier, 'variable geometry', or some other pattern – will be greatly affected by the outcome of accession negotiations with the CEECs and Cyprus. Indeed, the efforts of the EU simultaneously to widen and deepen, together with the less-developed economic status of the CEECs and the extensiveness of the Aquis Communitaire, pose the question of whether Eastern enlargement can be accomplished using the 'classical community method' (Preston, 1997), entailing full membership with only limited transitional periods or derogations in certain areas before full adherence to EU regulations and standards. Whereas previous enlargement have followed this approach, the special circumstances and problem of Eastern enlargement raise the question of whether an alternative method, perhaps involving accession in stages or a variable geometry approach, might not be more appropriate. Such alternatives have thus far been rejected by the applicant countries – who do not want to be accorded second-class status – and by current member states – which fear a dilution of EU institutions and of the acquis communautaire. Thus far the EU has ruled out any partial adoption of the acquis communautaire (Commission, 1997a: 445). Nevertheless, the difficulties of the current accession process and the potential irreconcilability of widening and deepening could force reconsideration of alternative approaches and result in new pattern of integration in the future.
4) Obstacles in Eastern Enlargement

There is no doubt that Eastern enlargement will have important long term consequences for the EU. Nevertheless, the EU is committed to further enlargement and had formally begun accession negotiations with five CEECs and Cyprus. Five additional CEECs are engaged in accession preparations with the EU, and hoped to join the negotiations soon. No official target date for entry has been given, although it is commonly accepted that new members could join sometime between 2003 and 2005.

While the enlargement process is moving forward and has assumed an air of inevitability, there can be numerous potential obstacles that could delay the accession of new members or threaten enlargement altogether. One of these is the Cyprus issue and the EU’s relations with Turkey. The EU has begun accession talks with Cyprus, it has warned both the Cypriot and Greek government that EU entry is not automatic, and that a political settlement for the island was essential. The EU thus clings to the hope that accession negotiations were to spur progress toward a settlement. The Greek Government has threatened to block any further enlargement if Cyprus is not admitted, however, thereby holding Eastern enlargement hostage to the Cyprus questions. An important key to a political settlement for Cyprus was held by Turkey, which had sought to further escalate tensions on the island if its demands for closer ties are not granted by the EU. In other words, the Cyprus issue has the potential to impede, or at least greatly complicate, the entire enlargement process (Baun, 1999: 285).

Another potential obstacle was the issue of institutional reform. After the failure to agree on institutional reform at Amsterdam some member states, including France and Belgium, demanded that institutional changes to be agreed before any new members was admitted, not before EU membership expands to more than 20 countries, as stipulated in the Amsterdam Treaty. Although they agreed on the need for institutional reform before enlargement, the French and Belgian Governments had very different views on the nature and direction of these reforms. Nevertheless, their demands raised the prospect that
France and other member states will block enlargement unless they get a satisfactory deal on institutional reform (ibid.).

A further obstacle was whether the Agenda 2000 reforms should be enough for the challenge of enlargement. The possibility exists that the debate over these reforms could become increasingly entangled with domestic politics. Accession negotiation will also have to overcome popular fears about increased foreign competition and labour migration – especially in border states like Austria and Germany – which could fuel domestic politics have not been much of a factor in the enlargement debate, but they have the potential to suddenly become one (ibid.).

Also posing a potential problem for enlargement was EMU. The single currency was launched in January 1999, with 11 participating countries. Euro notes and coins had come into circulation in January 2002, and has been sole legal tender in EMU countries from 1 July 2002. From the outset it has been clear that EMU has priority over Eastern enlargement, and that a precondition for further enlargement was to be the successful implements of EMU. Despite satisfactory progress to date, however, EMU remained a highly problematic enterprise, with uncertain prospects for success. Because of its importance for the EU, an EMU crisis or failure had a tremendous impact on the enlargement process, although it was impossible to say exactly what the full implication for enlargement of such developments would be (ibid.).

The applicant countries, in the meantime, will no doubt experience problems in adopting the voluminous and detailed acquis communautaire. The upcoming negotiations over the nature and length of derogations and transitional periods, both those requested by the applicants and those demanded by member states, are also certain to be lengthy and difficult. For a number of reasons, therefore, while Eastern enlargement was on the EU agenda, it was still far from an accomplished fact (ibid.).
5) Readiness for Membership and the Commission’s Avis (opinion)

The process of simultaneous political and economic transition posed the post-communist CEE countries with much greater challenges than those encountered by previous applicants. Not only do they have much more to do in establishing market economies and democratic political systems, but the EU was considerably more integrated than at the time of previous enlargements and was becoming more so. The EU established its pre-accession strategy in recognition of the particular challenge the CEE applicants face, but it had also set additional and more general criteria for accession under the Copenhagen conditions; these conditions covered political and economic transition, as well as the ability to take on the obligations of membership (Grabbe and Hughes, 1998: 41).

The general democracy and market economy conditions are very broad, and it was unclear how much progress in the various areas has to be made prior to accession, although the avis now show to a large extent how the Commission interprets these criteria. The third condition about taking on the obligations of membership is the traditional one facing countries wishing to accede to the EU, and the avis also give the Commission’s view on their progress. Meeting these conditions represents a major challenge for economies and societies in transition, and their progress in achieving explicit and implicit conditions is open to debate (ibid).

a) Meeting the Copenhagen Conditions

The Commission’s Avis on the ten applications of the CEE countries are unique in the history of EU enlargements in that they do not merely judge applicants’ readiness for membership now, but rather take a medium-term view on whether they will be able to meet the conditions for membership within the time span of negotiations. The avis thus give an overview of the political and economic situations in the ten countries up to May
1997 and also an assessment of how close they might come to being ready to join in five years’ time. This inevitably introduces an element of speculation, and leaves room for applicants who are not recommended to start negotiations to argue that they could make faster progress than the commission expects and so should move into negotiations at the start.

In the ten *avis* published as part of *Agenda 2000* in July 1997, the Commission does not set out the source of information used in its analysis and assessments. It is known that, in addition to the lengthy replies received from the applicants to its own questionnaire, it has considered a range of sources of expertise beyond the Commission, including analyses by other international institutions, and inputs from experts, it is impossible to tell from the *avis* the relative weight or importance ascribed to different sources.

The Commission’s overall recommendation is that negotiations should start with five countries: the Czech Republic, Estonia, Hungary, Poland and Slovenia. It recommends that Latvia, Romania and Bulgaria be excluded on economic grounds, although their problems are assessed as being of different orders of society. Slovakia is the only country that is judged to have failed to meet the political conditions, although its economy is assessed relatively favourably. Apart from these recommendations, the Commission does not explicit rank the ten applicants, but the *avis* are written in such a way as to make direct comparison straightforward (ibid.).

Application of the additional Copenhagen political and economic conditions did not lead the Commission to a markedly different ranking of countries than the one resulting from its assessment of their ability to take on the *aquis*, except in the case of Slovakia, where the failure to meet the democracy condition was the critical factor. The Luxembourg European Council in December 1997 decided the member states’ response to the Commission’s recommendations and, in particular, with whom to open negotiations. It has been begin under the British Presidency of the EU in the first half of 1998.
b) The Nature of Transition

The wave of political revolutions across CEE from 1989 onwards has caused regime changes of an unprecedented nature. Abandoning central planning and its concomitant political controls at such speed has required far-reaching systematic changes. It is not just the economy that is being transformed, but society itself, and five of the ten applicant countries are building new nationhood at the same time.

Economic transition has been extensively studied, albeit over a fairly brief period of history, and has resulted in a broad consensus on both the indicators of economic performance and how countries measure up. It is much harder to define and measure the quality of political life, however, many aspects of transition may require a generation of change to consolidate patterns of interest determination among the people of CEE and also perceptions of the legitimacy of their political choices among outside observers such as those in the EU. Furthermore, while the EU’s global judgments are based principally on analysis of the extent to which its criteria have been met, there is also a forward-looking component in judging how swiftly countries might move forward over the course of potential negotiations. Even discounting political interests of member states, complete objectivity is difficult to achieve (ibid.).

c) Challenges to Democratization in CEE for EU

Attachment to the principles of ‘liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law’ (article F of the Treaty on European Union) is a defining feature of the European Union, and at Amsterdam article O of the Treaty on European Union was modified to make respect of these principles an explicit condition for membership. For countries in transition, being accepted by the EU is important in setting a seal on their transition to democracy, just as it was for the Mediterranean countries emerging from dictatorship. However, establishing a clear set of criteria by which to measure the quality of democracy is very difficult, especially for countries that are engaged in a transformation of their political life in its widest sense.
There are general methodological problems in trying to measure the extent of democracy, the rule of law, respect for human rights and treatment of minorities in any state. In the case of the CEE countries, this task is complicated by the effects of the historical legacy of the communist period on political life and the diverse systems of governance that have emerged in post-socialist countries. For these reasons, there is less clarity and less consensus about political change than there is about economic transition in the region.

Recognition of this difficulty in accessing the extent of democratic change may, in part, under the Commission's judgments that only one country – Slovakia – has failed to meet the democratic criteria. In the case of Slovakia, there is a strong international consensus on the inadequacies of the functioning of democracy, whereas in other cases, where questions remain about the robustness or fragility of the democratic transition but where the trends are in the right direction, the condition is deemed to have been met.

It is also difficult to judge the effect of institutional overhang on the quality and stability of political institutions. The pre-1989 economic and political orders left a complex institutional legacy which can have a considerable impact on expectations and patterns of conduct (Hausner et. al. 1995 in Grabbe and Hughes, 1998). Implementation of policy is affected when, for example, expectations of the proper scope and potential effectiveness of policies are different from those in West. Similarly, views of the appropriate role of the state are different in societies that are still undergoing a contest about governance and regulation following more than a generation of central planning (Schopflin 1996 in Grabbe and Hughes, 1998). Moreover, these countries are engaged in simultaneous economic and political transitions. It is problematic to try to assess the stability of political institutions in countries that are in the process of reforming those same institutions and finding their own balance between the sometimes conflicting demands of introducing markets and democracy simultaneously (Grabbe and Hughes, 1998: 45).

All ten of the applicants for EU membership have passed the point of no return to communism, but they exhibit considerable diversity in how cleanly they have broken
with past pattern of governance and in how closely they resemble the different models of
democracy existing across the EU. They all have formal procedures in place for the main
features of democratic government, from free and fair elections to separation of powers,
although not all of the procedures have been fully implemented (Kaldor and Vejvoda
1997). Nevertheless, the fact that democratic institutions are in place in all the CEE
countries is itself a major achievement, and indicates the extent to which the CEE-10
have shed the legacy of authoritarianism.

However, these formal procedures are not all that is required to conform to
European norms; rather, any assessment rests on a broad judgment about the basic quality
of political life. Making a broad judgment of this kind requires attention not only to the
formal, procedural elements of democracy, but also to how they are put into practice and
other more substantive features of a consolidated democracy. These elements of
'substantive democracy' range from independence of the media and the way human
rights are perceived to the existence of an active civil society (see kaldor and vejvoda
1997). Linz and stepan (1996) define five 'arenas of democracy': a lively civil society, a
relatively autonomous political society, a rule of law, a usable state and an economic
society. The EU has to consider how these features should be ranked in importance, and
whether they can provide a picture of relative progress among the CEE-10.

In its avis, the European Commission has given its own judgment of how each of
the applicants has progressed in general terms, but no analytical framework is provided to
justify the assertions made. The avis describe political institutions of each country, and
state that the aim is to assess how democracy works in practice by using a series of
detailed criteria on the exercise of various rights and freedoms. However, the criteria
used are not always made explicit, and the comments within each opinion are often
vague. The Commission is known to have drawn on a range of sources, such as reports of
its delegations, those of member states and reports by NGOS, but none of these is
referred to in the avis or summaries.

The Commission reports of the three conditions laid out at Copenhagen, and
conclude that only Slovakia fails to satisfy them, although it calls for improvements in
the practice of democracy and protection of minorities in a number of countries. In looking at democracy and the rule of law, the Commission judges that all of the applicant countries have flaws in the rule of law, and three (Romania, Bulgaria and Slovakia) lack the stability of institutions required for the proper functioning of public authorities and consolidating democracy. However the progress achieved by Bulgaria and Romania since their changes of government in 1997 is noted, whereas the Commission explicitly points to a number of continued failings in this area in Slovakia (Grabbe and Hughes, 1998: 45).

In summarizing its views on Slovakia, the Commission states that it is ‘concerned that the rule of law and democracy are not yet sufficiently deeply rooted... A democracy cannot be considered stable if the respective rights and obligations of institutions such as the presidency, the constitutional court or the central referendum commission can be put into question by the government itself and if the legitimate role of the opposition in parliamentary committees is not accepted.’. Despite the Commission’s concerns about stability of institutions in Romania and Bulgaria, they are judged to meet the democracy criteria. This seems to be the right judgment, but it may also reflect the Commission’s concern not to apply too strongly a condition where decisions on the precise cut-off mark in time are difficult, particularly given the changes following the last elections in both countries (ibid).

On human rights there are a few specific concerns about individual countries, such as the treatment of children in state institutions in Romania and the independence of radio and television in some of countries. Respect for minorities was seen as problematic in a number of applicant states; in particular, Slovakia it was criticized on problems in the exercise of rights by the Hungarian minority and the rate of naturalization of non-citizens in Estonia and Latvia (principally the Russian-speaking minorities) was seen as too slow. Nevertheless, integration of minorities into society was regarded as satisfactory in general, although reference was made to discrimination against the Roma across the region. The fact that Estonia was recommended to start negotiations and Latvia was not important in showing that for the Commission the issue of the Russian minorities is not determinant for these countries’ change of joining (ibid: 46).
d) Transition to a Market Economy

The ten CEE applicant countries all adopted the goal of transition to a market economy, but they have not followed identical policy routes and have had widely varying degrees of success. While there are many ongoing debates about the best policy routes for transition and the most appropriate indicators of transition, there is fairly widespread consensus on the relative success of different countries. The reports by international institutions including the EBRD and World Bank pointed to a similar ranking of the CEE economies, although they do not draw conclusions about readiness for EU membership (ibid).

In most analyses of transition, the Visegrad-4 and Slovenia tend to stand out as more advanced in economic transition than the other applicant countries. The Czech republic, Hungary and Slovenia are the only countries among the CEE-10 designated by the world bank as ‘upper middle income’ economies, the rest being ‘lower middle income’, along with Poland and Slovakia, these countries are also placed in the most advanced group of economies in transition on the world bank’s classification.

The Baltic States began transition later, and economic assessments tend to put them in a category below the Visegrad countries, but views on their economies are changing as they close the gap with the initial leaders in reform. Despite the massive drops in output and high inflation following their independence in 1991, they made relatively rapid progress, and the economic distinctions between the Baltic States and the Central European countries had been growing better. Estonia is generally regarded as having made the fastest and most steady progress, both in stabilization and in restructuring its economy, but the distinctions between its performance and that of Latvia and Lithuania was not great (ibid: 47).

 Ranked below the Baltic’s are Romania and Bulgaria, although the gap between these two economies has widened considerably since 1996. the inconsistency of economies
reforms and patchiness in their implementation under the Iliescu administration prior to 1996 have caused Romania to lag behind, despite the determined efforts made by its new reforming government. The severity of the 1996-7 economic crisis in Bulgaria had forced the new government to implement radical reforms, but it lagged in transition rankings (ibid.).

e) The Economic Conditions for Accession

In addition to the condition of ability to take on the *acquis communautaire*, the Commission was required to assess whether the applicants have functioning market economies and whether they have the capacity to cope with competitive pressure and market forces within the Union. The Commission judged that none of the applicants fully met these two conditions. Given this overall view, it then assessed which countries close enough was to being market economies and which would be able to cope with competitive pressures in the medium run. Making this assessment involves an element of guesswork, and there was inevitably scope for argument about the point at which the Commission has drawn a dividing line between those who should enter negotiations and those who were not ready.

In judging whether the applicants have functioning market economies, the Commission draws on many of the standard, accepted indicators of macro-economic performance and stability of transition. Some of the criteria it states it will use in its analysis was open to question; in the Commission's view, for example, there should be an absence of significant barriers to entry and exit and a broad consensus on economic policy. This is a little strange: are western economies that have many sectors with significant entry barriers no longer to be classified as market economies? Similarly, are major economic policy debates not perhaps a good indicator of an open society? The EU was, after all, itself the locus of fierce economic debates about the single currency (ibid).
This criticism apart, the Commission’s assessment of the transition to a market economy represented a fairly standard analysis of transition. Although it does not give the source for its analysis, the Commission would have drawn on many of the key studies in this area, including the work of the main international institutions. There was a reasonably detailed assessment for each country although these vary between analysis, description and assertion, and some areas (notably enterprise restructuring) receive rather brief coverage. It would be easier to assess the validity of particular assertion if more detail or references were given, but, as the Commission does not differ strongly from other main transition analyses, its avis are unlikely to be subject to detailed criticism on this basis. In this sense, the EU had an easier job in judging the economies of the applicants than it does in judging their political development because of much wider agreement on what are the key issues in transition and how countries have performed on them (ibid: 48).

The Commission concludes that the five front-runners – the Czech Republic, Estonia, Hungary, Poland and Slovenia – are essentially already functioning market economies; the other four economies are expected to achieve this condition early in the next century. This judgment may suggest that the Commission does not expect the lagging four (Bulgaria, Latvia, Lithuania and Romania) to come close enough to meeting this condition for negotiations to start quickly.

Applying the second condition (the capacity to cope with competitive pressure and market forces within the EU) was less straightforward, not only because it was forward-looking but also because a serious assessment would require an in-depth analysis of each country’s competitiveness and of the ability of each country’s enterprise to take on the single market acquis and remain competitive. The Commission recognizes that there could be difficulties in assessing this condition, but it introduces some questionable criteria in making its assessment, including the proportion of small firms in each economy and whether each has a ‘sufficient’ quantity of human and physical capital. Given that the proportion of small and medium-sized enterprises (SMES) varies considerably across market economies, the justification for this criterion is unclear, and the latter condition is not defining in terms of ability to compete (ibid).
However, the main weakness in analyzing ability to compete is that the commission provides no in-depth assessment of enterprises’ ability to take on single market requirements and its likely impact on their competitiveness. Such an assessment would require a large study, but the general lack of work in this area creates a critical gap in understanding of the impact of enlargement on the accession countries and hence of the appropriate policy approach, especially for those countries that are many years away from joining the EU.

Trade integration is an important indicator of ability to compete, and the Commission recognises that there has been substantial integration, while expressing concern at the functioning of capital markets, the application of competition rules and the state of infrastructure, and of progress in privatization in some countries. It also comments that wage levels remain low, presumably as a positive indicator of ability to compete. Given the difficulties with this condition, the commission states that implementation of the single market white paper measures represents both ‘an approximate yardstick for the applicants’ degree of preparedness’ and an essential method of preparation for membership. This view suggests that it is difficult to distinguish this second condition from the third, general enlargement, condition of ability to take on the *acquis communautaire* (ibid).

The commission’s statement that applicants should have implemented all 1,400 elements of the single market white paper prior to accession appears to be pre-empting negotiating decisions. Moreover, while it is fairly straightforward to assess legislative and institutional implementation of the single market measures, assessing adoption and impact at enterprise level is very difficult. Furthermore, if enterprises were judged to be unable to compete if they took on the single market *acquis*, it may not be appropriate to attempt to implement this *acquis* in the lagging transition economies in the short to medium run.

In its end, the Commission expects Hungary and Poland to satisfy this second economic condition in the medium term on their current course, while the Czech Republic, Slovenia and Slovakia should be able to do so if they strengthen their efforts.
Estonia is judged to be close to the latter group, but the Commission points to problems with its large external imbalance and judges that it would not yet be able to withstand competitive pressures. Given its trade deficit, the UK could well have been excluded on this condition in 1973. Latvia, Lithuania and Romania are judged to require further consolidation, while Bulgaria is expected to join them in the next decade on its present course (ibid).

Overall, on the two economic conditions, the Commission splits the six most advanced applicants into three groups: Hungary and Poland come closest, with the Czech Republic and Slovenia not far behind, while Estonia does not quite meet the competitive pressure criterion and Slovakia does not quite meet the market economy criterion.

f) Assuming the Obligations of Membership

Being able to take on the acquis communautaire and adhere to the aims of political, economic and monetary union was the most complex requirement, and it had received the most attention from the Commission. The most detail on the individual countries is presented in these areas in the avis, with conclusions on sectors ranging from the four freedoms of the single market to the second stage of EMU to external policy. The emphasis on this area results from its being the key focus of the pre-accession strategy, but it is also much easier to measure progress in taking on the acquis than to evaluate difficult issues such as long-term competitiveness and quality of democracy.

Applicants are expected to be ready, willing and able to take on the whole acquis on accession. The Commission judges countries' capacity to take on obligations of membership by assessing in some detail applicants' progress in implementing the Europe Agreements, the single market white paper and other parts of the acquis. The Commission's assessment is that individual countries' progress has been uneven across the different areas of integration activity. Only Hungary is regarded as having made satisfactory progress in all three areas of implementation. Poland, Slovakia, the Czech
Republic and Slovenia have run into problems with the Europe Agreement; in particular, Poland and the Czech Republic have had a number of trade disputes with the EU in the Association Council, and Slovenia was slow to ratify its Europe Agreement. Only Hungary, Poland and the Czech Republic are judged to have made satisfactory progress in implementing the single market legislation, and all except Hungary and the Czech Republic are urged to step up their efforts in taking on other parts of the acquis. The commission also points to a lack of structure to apply new regulations (from environmental inspections to banking supervision) throughout the region, and to widespread corruption (ibid: 50).

The relative lack of progress on the rest of the acquis was unsurprising given that transposition of single market legislation had so far been the main focus of CEE efforts. However, the avis make it clear that there have been major problems in transposing even the single market white paper directives into national law. The Commission takes the problems with administrative and judicial capacity to apply the acquis identified in the avis as the starting point for recommending that 30% of PHARE resources be focused on training in this area.

Looking in more detail at adaptation to the single market acquis, the Commission draws most attention to the areas of telecommunications, the environment, transport, employment and social affairs, regional policy and cohesion, agriculture, energy, and border controls. In each area there is a description of current circumstances and an assessment of how near the country are to EU standards and policy norms. Progress in these areas was uneven across most of the countries, although Bulgaria and Romania come out worse than the others on almost all counts, so judgments in this area concur with their places in the overall ranking. Hungary generally emerges best in the Commission's comments, although like all the applicants it has major environmental problems (ibid).

All the countries are very far from EU environmental standards across a whole range of areas, including waste, water and air quality. The Commission points to need for massive investment across the region and a strengthening of administrative capacity to
enforce legislation even the countries that receive the most favourable comments in this area (notably Estonia and the Czech Republic) are expected to achieve full compliance with the *acquis* only in the long term. Most of the other countries would reach EU standards only in the long term, even with substantial investment. This assessment suggests that environmental problems was not only a key area for EU public investment (as the Commission proposes for use of PHARE funds), but could be an important reason for negotiating transitional measures, although this will be controversial.

The picture on energy is considerably more mixed, however, despite the overlap of issues between these two areas. Partly this is because the Commission looks primarily at compatibility with energy policy, without explicitly liking production and usage with environmental issues in the *avis*. Bulgaria and Romania have major adjustments to make in reorganizing their energy sectors to comply with the EU policies in both energy itself and competition law. The Commission raises concerns about nuclear safety across the region, another area to be addressed through the accession partnership (ibid).

Similarly, coverage of transport policy in the *avis* does not really consider links with environmental policy objectives. The countries suffer from similar problems in this area, and the Commission focuses on the need for investment to lay the foundations for a trans-European transport network across old and new member states for effective functioning of the single market. Transport safety seems to be insufficiently supervised across the region because of inadequate administrative structures.

In telecommunications, there was a wide gap between the state of both policies and infrastructure in Estonia, Hungary, Latvia, the Czech Republic and Slovenia, which are judged to be close to EU norms, and the rest, which are far from them. Most of the problems in upgrading and expanding the telecoms infrastructure seem to relate to a lack of investment owing to slow de-monopolization and privatization (ibid: 52).

Employment and social affairs (including health and safety at work) are seen as unproblematic areas in most countries except Bulgaria, Romania and Slovakia. It has been argued that this was an area where new members could join with transitional
periods, applying product starts until later (Smith et. al. 1996). However, the assessment provided in the *avis* suggests that applicants are generally not very far from EU standards on the social side at least.

Assessments of the administrative structures in regional policy and agriculture are important because these were key areas to receive the EU funds prior to and on accession. Overall, only Bulgaria and Romania seem likely to have major problems with using regional aid funds, but they and the three Baltic States and Slovenia would probably find it difficult to apply the CAP without a fundamental reform and restructuring of their agricultural sectors.

When looking at countries' ability to control policy on their borders, the Commission clearly found it very difficult to assess the current state of affairs. This was obviously a key area in applying EU policy in the first and third pillars, yet the Commission commits itself to an assessment on only four of the countries (the Czech republic, Hungary, Poland and Slovenia), all of which are judged to be able to remove border controls in the medium term. When the other countries would be able to do so was uncertain (Grabbe and Hughes, 1998: 53).

Looking beyond the single market, the Commission considers whether countries would be in a position to apply the *acquis* in the second and third pillars, and the third stage of EMU. The second pillar presents no problems for any applicant, which doubtless says more about the limited nature of the pillar than about applicants' capacities in this area. Their specific obligations under the pillar have been few and the applicants all made considerable efforts to resolve issues such as territorial disputes and control regimes as part of their bids to join NATO. Applying the third pillar, on the other hand, would be problematic for the Baltic States, Romania and Bulgaria, mainly because of institutional inadequacies and lack of experience in dealing with many of the transitional problems involved.

Ability to participate in the third stage of economic and monetary union correlates closely with countries' performances in economic transition; this is unsurprising given
that joining EMU depends on sustaining the convergence criteria, coordinating economic policy and liberalizing capital movements fully. Poland, Hungary, the Czech Republic and Estonia has been judged to be unlikely to face problems in joining in the medium term, although the Commission is careful to point out those meeting EMU criteria was not a condition for membership. The other countries would have problems of varying degrees of severity in accordance with their need for structural reform (ibid).

In addition to the comments on the adequacy of institutional structures in various areas of the acquis, the Commission covers the applicants' administrative and legal capacities in detail. On the administrative side, Hungary was rated as closest to being able to apply the acquis, and all the others need varying degrees of reform effort, with Romania and Bulgaria having the most work to do. On the legal side, however, there was more uncertainty in the avis as to capacity. The Commission states that it cannot assess judicial systems adequately in most of the countries, and leaves open the question of when most of them would be able to apply the acquis effectively. This area highlights perhaps most sharply the different status of the CEE countries from most previous applicants in terms of readiness to integrate with EU structures. The fundamental systemic changes of post-communist transition make it difficult even to judge the scale of the problems that are likely to be encountered in adopting the whole acquis in many countries.

On the basis of its avis, the Commission recommended opening negotiations with five countries; the Czech republic, Hungary, Poland and Slovenia (although it is known there was a debate within the Commission about including Estonia and Slovenia). Although the Commission does not explicitly rank the ten countries in Agenda 2000, its assessment of relative readiness was clear from a comparison of the avis. On the overall economic and acquis condition taken together, Hungary comes first. Followed in joint second place by the Czech Republic and Poland, Slovenia is next, then Estonia, fairly closely followed by Slovakia, Latvia and Lithuania. Bulgaria and Romania are clearly well behind the others (ibid).
These rankings were not significantly different from the transition rankings derived from other analyses and are not very controversial. However, Latvia and Lithuania argue that they were not sufficiently far behind Estonia to justify being excluded, while Slovakia rejects criticism of its democratic functioning. With the exception of Slovakia, it was unclear whether the additional Copenhagen conditions resulted in different outcomes than judging ability to take on acquis communautaire alone would have done, although they contribute to the exclusion of Latvia and Lithuania. Member states are unlikely to disagree much with the Commission’s overall ranking of applicants’ readiness to join; however, there was more argument about how many countries should start negotiations.

In conclusion, we may agree that CEECs have made a definitive break with the communist past. The formal rules and procedures for democracy are more or less found in place but in substantive terms democratisation process need a pace. Since it is not a linear process, it is difficult to measure progress or specify overall benchmarks of success. In all the CEECs there had been a peaceful alteration of power. No one had been punished for his or her arbitrariness but insecurity persist, especially for the minorities. Access to alternative sources of information, especially independent news agencies, need to be spread beyond urban centres. We can observe that there is a tendency to separate CEECs into what appear to be more or less successful models of democracy, although these distinctions can be misleading.

The potential for the democratisation process has also been seriously disrupted by the disagreements over the institutional reforms, EU’s conditionality, budget, CAP (Common Agriculture Policy) and others. The challenges that the EU faced in CEE in pursuing its democratisation and enlargement agenda had been further delayed by no desired time frame for initial accessions, lengthy negotiations as candidate countries were not meeting the conditions and there was lack of leadership as well as common strategy.

But inspite of all these problems and challenges, between 1997 and 2004, the EU expanded into the Central and Eastern Europe in a big way. On 1 May 2004, the EU admitted ten new member countries, predominantly from Central and Eastern Europe.
which, for half a century, were under the authoritarian one party political rule. The EU today is composed of twenty seven democratic states.