



CHAPTER 4

Poland - Accession to the EU

4.1 Introduction

After the fall of the Berlin Wall, it has continually been the strong intention of nearly all the countries in the former eastern block, including Poland, to join as member of the European Union (EU) and other association agreements - particularly in Central Europe. Poland itself submitted the application for membership to the EU as early as on 8 April 1994.⁵¹

The fundamental reason for former eastern bloc countries to join the EU is seen as a political anchor which would prevent them from returning to authoritarianism. With the collapse of the Council for Mutual Economic Assistance (CMEA), the EU becomes the natural focus for these countries to trade and access the EU market as a key to a swift transition towards market economy. Moreover, with membership into NATO and the potential membership to the EU offered the high possibility of non-military western protection. In term of security, to have EU membership continues to play a crucial role in CEEC/EU relations.⁵²

As Poland and member countries of the EU have different levels economic development, appropriate adjustment of both parties with the achievement of expected benefits and avoidance of risks seems to be most relevant. The analysis of potential benefits and risks is being

⁵¹ ECSA-Series Vol. 4. "Poland and the European Union between Association and Membership", (Munich:1997), page 107.

⁵² Moorhouse, Jacqui., "Central and Eastern Europe Accession to European Union in Aussenpolitik 4/96, page 369.

carried out by both Poland and the EU. Poland is willing to pay the price of joining into the EU.

It is a question of costs in extending membership to countries which have relatively low level of GDP per capita and the importance of agriculture in their economies, will, upon joining, become major net beneficiaries of EU funds. Member states that are net contributors to the EU's budget are already complaining about their rising contributions, while the EU's poorest nations: Portugal, Spain, Greece and Ireland are worried about increased competition for funds.⁵³

The approach to the issue of the enlargement of the Union should then be such that the risks of the existing members be minimized without, however, delaying the process of preparation of admission of Eastern-Central European countries. All these processes should be conducted in a way which would make the economies of the Central European nations "bring" into the Union not only new markets for Western producers but, would first of all, contribute to the upgrading of competitiveness of the whole, enlarged European Union in the world market.⁵⁴

Furthermore, the enlargement of the EU by accepting CEEC countries should not be a mean to isolate Russia, but instead it should be a bridge.⁵⁵

⁵³ Op., cit., p. 107

⁵⁴ Ibid., p. 108

⁵⁵ Neotzold, Juergen., "European Union and Eastern Central Europe : Expectations and Uncertainties", in Aussenpolitik 1/95 , p. 16,

The EU Council then announced in Copenhagen in June 1993 that those such associated countries could become members of the EU under certain circumstances. It was announced as follows:

“Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union.”⁵⁶

4.2 Poland and the EU

Poland's integration into the EU is a continuing process. The changes that took place in 1989 opened the opportunity and the prospect for integration. Subsequent massive reforms introduced in 1990 enhanced the process. The four major building blocks supports the adjustment of Polish economic, legal and administrative structures to those in the Community:

- The Europe Agreement identifies the areas of integration and co-operation and the means and procedures to achieve them.
- The structural dialogue, the principle of which was incorporated in the Europe Agreement, and which is meant to help and develop the integration process.
- The White Paper, stipulating the legislative, administrative and institutional changes that are needed to pursue integration towards the internal market.

⁵⁶ ECSCA - 4/97, "Poland and the European Union - Between Association and Membership". p. 277

- The PHARE program, the aid program of 200 million ECU per year (600 million new Zloty), will help Poland to achieve the above three elements.

4.3 Positive Factors

Poland is a booming market of about 40 million people whose incomes are finally rising. It has faster economic growth than in any other countries in the Eastern-Central European region.⁵⁷ Its GNP is considered as quite stabilized at the level of 5% per year, the growth rate of industrial production exceeds 10% per year while the share of the private sector in the GNP amounted to 55% in 1994.

According to international opinion, Poland has achieved the best results in assuring the freedom of entry of the private sector into virtually all areas of economic activity, if one compares the scope of those liberties with other CEE countries. The opening of Polish economy for participation in international trade become wider than in the standards IMF and the World Bank suggested set of policies. This seems to be the primary reason for a high rate of growth.

4.4 Difficult Factors

The following are possible problems for Poland which need to be solved before integrating into the EU:

- Freedom of movement for employees associated with the EU membership. In view of the unemployment rate of over 10% in the EU a

⁵⁷ Ibid., p. 301

breakthrough hardly seems likely. This needs to be agreed by all current member states.

- The Common Agricultural Market's barriers to trade restricts the surplus capacities of Poland's agricultural products. Also imports from Central Europe are bound to be cut back in the EU or to subsidize re-exports to the world markets. Both are highly problematic. Whereas production limitations would not be accepted in the EU, the subsidies passing on to goods in the world markets would mean conflict between the EU and the GATT agreement signed in 1994. According to this agreement the EU makes a commitment to reduce agricultural subsidies by the year 2001. The dilemma is obvious : if the EU helps improve access to the EU market for associated states it runs the risk of a global trade conflict. Consequently, the eastward enlargement of the EU requires a fundamental reform of the Common Agricultural Policy.⁵⁸

Poland is willing to accept the price of joining into the European Union with the full support of its people. All succeeding governments in Poland continued its foreign policy of joining the European Union and is willing to reform its agricultural policies to be acceptable by EU requirements. Although, agricultural reforms and industrial reforms (coal and steel) will be painful, but in the long-run it would be beneficial to the economy.

The European Commission recommended to start negotiation with Poland on its integration with EU, as Poland has achieved a full democratic form of government with stable institution that provides protection of human rights and guarantee the rule of law. Furthermore,

⁵⁸ Pflueger Friedbert, "Poland and the European Union" in *Aussenpolitik* 3/95, p.228.

Poland can be regarded as a functioning market economy, and should be able to cope with competitive pressure and market forces within the Union in the medium term.

However, particular effort and investment will be needed to meet the acquis in sectors such as agriculture, environment and transport. Further administrative reform will also be indispensable if Poland is to have the structures to apply and enforce the acquis effectively.