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ZAGREB - 2 February 2002

ENLARGEMENT: PREVIOUS AND PRESENT

PRESENT ENLARGEMENT:

- 28% OF POPULATION,
- 33% OF AREA,
- 4% OF EU'S GDP (APPROXIMATELY THAT OF BELGIUM)

ENLARGEMENT: PREVIOUS AND PRESENT

GDP/PC AT PPP

- LITTLE LESS THAN 1/3 OF THE EU AVERAGE
- HIGHEST: LOWEST IN EU 1:1.8
- HIGHEST: LOWEST IN ASSOCIATED COUNTRIES 1:3.2

ENLARGEMENT: PREVIOUS AND PRESENT

STRUCTURE OF THE ECONOMIES

AGRICULTURE:

- AS A % OF TOTAL GDP EU 2.4% (AC 7.0%),
- AS A % OF LABOUR FORCE EU 5.3% (AC 22.5%)

ENLARGEMENT: PREVIOUS AND PRESENT ... AND NEXT

- NEXT WAVE OF ENLARGEMENT
- HOW MANY WAVES OF ENLARGEMENT OR WHERE ARE THE LIMITS OF EUROPEAN UNION
- FROM "POST SECOND WORLD WAR STABILITY PACT" TO THE "ELITE CLUB" OF THE ECONOMICALLY MOST DEVELOPMENT NATIONS AND BACK?

COSTS AND BENEFITS OF THE ENLARGEMENT:

FROM DIFFERENT VIEW POINTS

COSTS AND BENEFITS OF THE ENLARGEMENT:

- STABILITY
- SECURITY
- PROSPERITY
- **O**...

COSTS AND BENEFITS OF THE ENLARGEMENT: FOR THE ASSOCIATED COUNTRIES

- POLITICAL BENEFITS OF MEMBERSHIP
 - INCREASED SECURITY
 - INCREASED STABILITY
 - BECOMING PART OF THE ORGANISATION WHICH IS ONE OF THE GLOBAL KEY PLAYERS
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- ECONOMIC BENEFITS
 - CERTAINTY PROVIDED BY ACCESSION
 - INDUSTRIAL GOODS: FTA IS NOT ENOUGH: STIMULUS TO A GREATER INTEGRATION OF THE ECONOMIES
 - INVESTMENT RISK SIGNIFICANTLY DIMINISHES
 - IN OTHER PARTS OF THE ECONOMY MARKET PENETRATION
 - **...**

COSTS AND BENEFITS OF THE ENLARGEMENT: FOR THE EUROPEAN UNION

- POLITICAL BENEFITS
 - INCREASED SECURITY IN EUROPE
 - INCREASED STABILITY IN EUROPE
 - INCREASED STRENGTH OF THE EU
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- ECONOMIC BENEFITS
 - ENLARGED SINGLE MARKET ADDITIONAL 30% OF CONSUMERS, STABILITY OF THE EXISTING FREE TRADE MARKETS, INVESTMENT GOODS, ACCESS TO COMPETITIVE IMPORTS FROM AC
 - INCREASED DIRECT INVESTMENT (LOWER DEGREE OF POLITICAL RISK, POSSIBILITY OF CUTTING COSTS IN ORDER TO COMPETE MORE EFFECTIVELY)
 - ECONOMIC RENEWAL AS A CONSEQUENCE OF ENLARGEMENT (INCREASED FLEXIBILITY IN FACTOR MARKETS, MAJOR SHOCK FOR NECESSARY REFORMS IN THE EU)

COSTS AND BENEFITS OF THE ENLARGEMENT:

• QUANTITATIVE

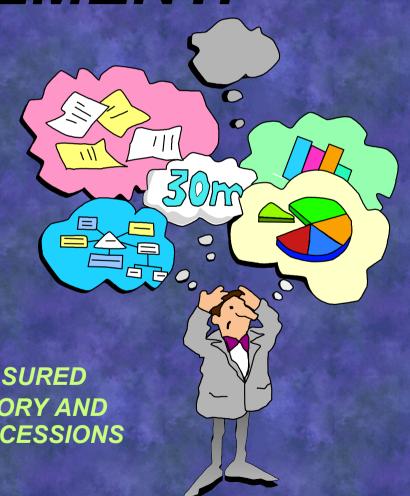
- LIMITED TO ECONOMIC ASPECTS
- WHY THEY ARE RARE?

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• QUALITATIVE

- INCREASED STABILITY AND SECURITY
- ALL ECONOMIC EFFECTS CAN NOT BE MEASURED
- WE CAN LEARN FROM THE ECONOMIC THEORY AND FORM THE EXPERIENCES OF PREVIOUS ACCESSIONS

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COSTS AND BENEFITS OF THE ENLARGEMENT:

• SHORT TERM

- SPEEDING UP THE FINAL PHASE OF TRANSITION
- LOW LEVEL OF EXISTING IMPORT TARIFFS
- INCREASED COMPETITION
- HARMONISATION EXPENSES

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• LONG TERM

- IMPROVED COMPETITIVENESS OF THE ECONOMY
- ENLARGED INTERNAL MARKET
- KNOWLEDGE AND TECHNOLOGY TRANSFER
- INCREASED INVESTMENTS

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COSTS AND BENEFITS OF THE ENLARGEMENT:

- PRODUCER
 - INCREASED COMPETITION
 - LOWER PRICES
 - ENLARGED INTERNAL MARKET
 - KNOWLEDGE AND TECHNOLOGY TRANSFER
 - INCREASED INVESTMENTS
 - **...**
- CUSTOMER
 - LOWER PRICES
 - INCREASED SUPPLY
 - **...**

COSTS AND BENEFITS OF THE ENLARGEMENT:

- INDIVIDUAL
 - PERSON
 - COMPANY
 - SECTOR
 - **...**
- GLOBAL
 - COUNTRY

JUDGEMENT SHOULD NOT BE MADE ON INDIVIDUAL "COSTS" - THERE WILL BE LOSERS AND WINNERS ON INDIVIDUAL LEVELS (COMPANIES, SECTORS, ETC.), BUT THE OVERALL EFFECT IS A POSITIVE ONE) - WHO WILL BENEFIT?

COSTS AND BENEFITS OF THE ENLARGEMENT:

• SPECIFIC

- FOREIGN TRADE EFFECTS
- BUDGETARY EFFECTS
- SECTOR EFFECTS
- OTHER EFFECTS AFFECTING THE LEVEL OF WELFARE (DEMAND EFFECT, EFFECT OF THE ABOLISHED CUSTOMS FORMALITIES, PUBLIC PROCUREMENT LIBERALISATION EFFECT, EFFECT OF LIBERALISATION OF FINANCIAL SERVICES AND CAPITAL FLOWS)

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• GENERAL

WHOLE ECONOMY

COSTS AND BENEFITS OF THE ENLARGEMENT:

• FINAL PHASE OF TRANSITION

- REMAINING PRIVATISATION,
- LIBERALISATION OF FINANCIAL SECTOR, PUBLIC UTILITIES,
- STATE AID ALIGNMENT ETC.

• ACCESSION TO THE EU

- AGRICULTURE HARMONISATION WITH THE CAP
- ENVIRONMENT ADAPTATION TO HIGH EU STANDARDS
- REGIONAL DEVELOPMENT ADAPTATION OF NECESSARY INSTITUTIONAL CHANGES ETC.

COSTS AND BENEFITS OF THE ENLARGEMENT:

• DO NOT NEGLECT THE INFLUENCE OF THE DOMESTIC ECONOMIC POLICY DECISIONS!

CURRENT ROLL OF EU ACCESSION

- SPEEDING UP THE FULFILMENT OF OUR OWN GOALS
- IMPROVING AND IN SOME CASES EVEN ESTABLISHING ORDER AND STABILITY OF THE ECONOMY AND SOCIETY AS A WHOLE
- OVERCOMING THE EXISTING AND POTENTIAL BARRIERS TO THE NECESSARY CHANGES (POLITICAL POWER, ECONOMIC MONOPOLIES)
- ADDITIONAL PRESSURE FOR THE NECESSARY IMPROVEMENT IN COMPETITIVENESS OF ALL ECONOMIC ACTORS

FINAL ROLE OF EU ACCESSION

- BREAKING OF EXISTING BARRIERS OF INWARD ORIENTED
 STATE OF MIND AND EXISTING SELF-SUFFICIENCY AS A
 RESULT OF THE REFRESHING OPEN SOCIETY WIND
- ESTABLISHMENT OF COMMON EUROPEAN RULES
 RESULTING IN INCREASED TRANSPARENCY, STABILITY AND
 PREDICTABILITY OF THE ECONOMY
- BECOMING A PART OF EUROPEAN AREA OF STABILITY,
 SECURITY AND PROSPERITY BASED ON POSITIVE INTERNAL
 SOLUTION SEEKING INSTITUTIONAL FRAMEWORK

BUT DON'T FORGET THAT IT IS IMPORTANT ALSO TO HAVE...

...A LITTLE BIT OF LUCK!