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The European Economic Community's Third Enlargement

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The European Economic Community's Third Enlargement A Winners Competition for the Member States

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Abstract: The European Economic Community's third enlargement round brought up a series of tensions between member states, which would require a great amount of time and effort to be solved. Bigger issues, such as the British contribution, the community budget and the Common Agriculture Policy reforms, are going to be at the centre of EEC's agenda in the 1970-80's, and ultimately, British and French national interests on these matters will prevail. The basic argument of this article is that member states used the prospect of enlargement to achieve particular policy goals, such as improvements in decision-making procedures and budget reform, and only after those accomplishments, member states agreed on concluding the third enlargement.

Keywords: European Economic Community, member states, third enlargement

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I. Introduction

During its first decade, the EEC (European Economic Community), mainly driven by the enthusiastic leadership of Walter Hallstein, President of the European Commission, was successful and achieved several goals². In the 1970's, however, the EEC would be confronted with an international economic system in profound change, the consequences of the first oil crisis, national protectionism and the impact of the first enlargement, which would alter the way the EEC, its institutions and member states, would thereafter act.

It will be within the framework of a Community in change, in which "Eurosclerosis and Europessimism summarize the history of European integration in the mid-70"³, that would last through the first years of the 1980's, that the third or Iberian's accession negotiations will arise.

Enlargement has been a major policy area, sometimes the most visible one, and has enable community growth. At the moment, there are some more states⁴ on the queue, besides Turkey that remains the eternal candidate, and Croatia which already signed the accession treaty last December and will join on July 2013. Six enlargement rounds later, this article assesses what were EEC member states' responses to membership candidates for the third enlargement round – Portugal and Spain – in the 1980's, based on research made at the HAUE (Historical Archives of the European Union) in Florence and at the AHCE (Archives of the Council of the European Union) in Brussels, which adds value to research on this subject.

My basic argument is that the EEC was caught up by surprise in the mid 1970's by the wave of democratization occurred on the south European countries and that, at the time, another round of enlargement was not a top priority for the EEC, but even so the prospect of enlargement gave way to community internal reforms and to member states' gains, which used enlargement on their own personal advantage.

II. The EU and Enlargement

European integration analysis is incomplete if we fail to bring in enlargement policy, which has been intermingled with the theoretical debates about it⁵. Enlargements have engaged many years of EEC/European Union's⁶ (EU) life and have accompanied the EU almost as a permanent item on the agenda.

Since the 1970's that the EU has grown in number of member states: from six in the 1950's it has now 27 members and counting. Meanwhile, enlargement studies became a new area of study⁷, but literature has focused on some enlargements, such as the first⁸ (1973) or the biggest⁹ one (2004).

² BACHE, I., & GEORGE, S., *Politics in the European Union*, OUP, Oxford, 2006, pp. 129

³ DINAN, D., Ever Closer Union – An Introduction to European Integration, Palgrave Macmillan, Houndmills, 2005, p. 69

⁴ Iceland, The Former Yugoslav Republic of Macedonia and Montenegro

⁵ CEDERMAN, L.-E., Expansion or Unity? Placing the European Union in Historical Perspective, Towards a New Europe. Stops and Starts in Regional Integration, Praeger, London, 1995, p. 40

⁶ After the came into force, on 1st November 1993, of the Maastricht Treaty that the EEC is also known as European Union, therefore some references to the EU, when referring to the period after 1993.

⁷ PRIDHAM, G., "The Arrival of Enlargement Studies: Patterns and Problems", CRCEES Working Paper Series, University of Glasgow, Glasgow, 2008

⁸ CAMPS, M., *Britain and the European Community, 1955-1963*, Princeton University Press, Princeton, 1964; KAISER, W., "What Alternative is Open to Us?': Britain" in KAISER, W. and ELVERT, J. (eds.), *European*

At the moment, there is still no systematic study about the Portuguese accession negotiations to the EEC, which can, somehow, be related to the archives' "30 year rule". Nevertheless, there are some studies about Portugal and the EEC and their relationship 11; about Spain's accession, even conditioned by the same constraints, its study is more developed 12.

If, on one hand, enlargement has been "the most important issue that the European Union has faced" on the other, it was, until the end of the Cold War, "a sporadic event for much of the EU's history" and it wasn't a "particularly popular" one 15.

Frank Schimmelfennig and Ulrich Sedelmeier distinguish four main dimensions of enlargement, which are: (1) applicants' enlargement politics; (2) member state enlargement politics; (3) EU enlargement politics; and (4) the impact of enlargement ¹⁶. This article focus mainly on the second and last one – member state's enlargement politics and its impact –, by asserting what makes a state support or reject an accession application, its political and economic gains and losses.

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SAJDIK, M. and SCHWARZINGER, M., European Union Enlargement: Background, Developments, Facts, Transaction Publishers, New Brunswick, 2008; ZIELONKA, J., Europe as Empire: The Nature of the Enlarged European Union, Oxford University Press, Oxford, 2006; VERDUN, A. and CROCI, O. (eds.), The European Union in the Wake of Eastern Enlargement – Institutional and Policy-making Challenges, Manchester University Press, Manchester, 2005; RUPNIK, J. and ZIELONKA, J. (eds.), The Road to the European Union – The Czech and Slovak Republics, Manchester University Press, Manchester, 2003, vol. 1; BARBÉ, E. and JOHANSSON-NOGUÉS, E. (eds.), Beyond Enlargement: The New Members and New Frontiers of the Enlarged European Union, Institut Universitari d'Estudis Europeus, Barcelona, 2003; PETTAI, V. and ZIELONKA, J. (eds.), The Road to the European Union – Estonia, Latvia and Lithuania, Manchester University Press, Manchester, 2003, vol. 2; BAUN, M. J. (2000), A Wider Europe: The Process and Politics of European Union Enlargement, Rowman & Littlefield Publishers Inc, Lanham, 2000; PRICE, V. C., LANDAU, A. and WHITMAN, R. G. (eds.), The Enlargement of the European Union – Issues and Strategies, Routledge, London, 1999; AVERY, G. and CAMERON, F., The Enlargement of the European Union, Sheffield Academic Press, Sheffield, 1998

¹⁰ The "30 year rule" stipulates that most public records are only available for consult after a period of 30 years.

¹¹ FERREIRA, L. G., Portugal e as Comunidades Europeias – Do 25 de Abril ao Pedido de Adesão, Vega, Lisboa, 2001; ASSEMBLEIA DA REPÚBLICA, Adesão de Portugal às Comunidades Europeias. História e Documentos, Assembleia da República, Lisboa, 2001; CUNHA, A., À Descoberta da Europa – A Adesão de Portugal às Comunidades Europeias, Instituto Diplomático, Lisboa, 2007

¹² ALONSO, A., España en el Mercado Común. Del Acuerdo del 70 a la Comunidad de los Doce, Espasa Calpe, Madrid, 1985; BASSOLS, R., España en Europa. Historia de la Adhesión (1957-1985), Política Exterior, Madrid, 1995; CLOSA, C. and HEYWOOD, P. M., Spain and the European Union, Palgrave Macmillan, Houndmills, 2004
¹³ NUGENT, N., "Preface", in NUGENT, N. (ed.) European Union Enlargement, Palgrave Macmillan, Houndmills, 2004, p. ix

¹⁴ SCHIMMELFENNIG, F. and SEDELMEIER, U., "The Politics of EU Enlargement: Theoretical and Comparative Perspectives", in SCHIMMELFENNIG, F. and SEDELMEIER, U. (ed.), *The Politics of European Union Enlargement: Theoretical Approaches*, Routledge, London, 2009, p. 3

¹⁵ SCHNEIDER, C. J., *Conflict, Negotiation and European Union Enlargement*, Cambridge University Press, Cambridge, 2009, p. 1

¹⁶ SCHIMMELFENNIG, F. and SEDELMEIER, U., op. cit., p. 6

III. The Third or Iberian Enlargement

It was only in 1973, sixteen years after the establishment of the European Economic Community, that it had its first enlargement¹⁷. However, it took only two more years until a new round of accession requests would be presented. In a year and a half – from April 24, 1974 until November 20, 1975 –, the three southern European dictatorship regimes were overturned, and it would take little time until all turn themselves towards the EEC, which was, somehow, caught up by surprise by this wave of democratization occurred on the south European countries.

With the overturn of the authoritarian regimes in southern Europe, Portugal, Greece and Spain will initiate their path towards democracy. However, it will take some time until a minimum degree of democratic consolidation to take place. The EEC followed the political developments happening in those countries with attention and concern and from the start that confined economic assistance and political support to the establishment of a democratic regime. Only democratic countries could, first, receive economic and financial assistance, and then become member states.

The arguments presented to request accession were essentially two: democratic stabilization and economic development. After the first enlargement, the support of democracy became a publicly acknowledged aim of the EEC18 and both Portugal and Spain used that to their favor. Unlike Kissinger and the United States of America, which defended that a communist regime in Southern Europe would teach some lessons, the EEC saw in democracy support a security issue, a way to defend itself. In the end, one can even argue that the third enlargement round was accomplished for European security reasons¹⁹.

In Portugal, Greece and Spain progresses towards democracy were being made²⁰ and that pleased the EEC, whose representatives assume their commitment towards it. On the other hand, it was clear that rejecting an application from those three countries would "stimulate the Communist forces evidently alive in each of them"21, fact which determines that the reasons underlying both the second and third enlargement rounds were political, both for the applicants countries as for the member states²². Future EEC's membership was thus considered as "a reward for democratization".²³.

If it was important for the EEC to have democratic regimes in Southern Europe, and both member states and EEC representatives assume their commitment towards it, it would have economic costs and interfere with how the EEC was established in the 1980's, especially from an economic point of view. In 1976, still Portugal and Spain had not presented their accession requests, it was recognized that "the

¹⁷ The history of EEC's enlargements begins with the Irish accession request made at 31st July 1961, followed by similar requests made by Denmark, Sweden, Norway and the United Kingdom. The main question raised was whether states had to hand over a part of their sovereignty in favor of a supranational organization, thus the resistance to a formal commitment with such an organization as the EEC, even though it had very appealing

¹⁸ MILWARD, A. S., *Politics and Economics in the History of the European Union*, Routledge, London, 2005, p. 24 ¹⁹ LOPES, E. R., "Depoimento", in TEIXEIRA, N.S. e PINTO, A.C., Portugal e a Integração Europeia 1945-1986 - A Perspectiva dos Actores, Temas e Debates, Lisboa, 2007, p. 158

²⁰ COMMISSION (1978), Bulletin of the European Communities, No.5, Brussels, Commission of the European Communities, p. 7

²¹ SEERS, D., "Introduction: The Second Enlargement in Historical Perspective", in SEERS, D. and VAITSOS, C., The Second Enlargement of the EEC – The Integration of Unequal Partners, St. Martin's Press, New York, 1982, pp. 6-7

VAITSOS, C., "Conclusions: Economic Effects of the Second Enlargement", in SEERS, D. and VAITSOS, C., op. cit., p. 243

²³ EDWARDS, G. and WALLACE, W., A Wider European Community? – Issues and Problems of Further Enlargement, Federal Trust for Education and Research, London, 1976, p. 30

relative homogeneity of the Community will be decreased as countries with developing economies are included"²⁴.

Candidate	Demand Accession	for	Beginning negotiations	of	Signature of the Accession Treaty	Accession
Greece	12/06/1975		27/07/1976		28/05/1979	01/01/1981
Portugal	28/03/1977		17/10/1978		12/06/1985	01/01/1986
Spain	28/07/1977		05/02/1979		12/06/1985	01/01/1986

Table I. Key-dates on the second and third enlargement rounds

By 1978, when the three candidates were at different stages in the accession process²⁵, the Commission sends a communication to the Council – "General Considerations on the Problems of Enlargement" – where it presents the economic difficulties²⁶ and institutional problems posed by enlargement²⁷.

In the 1980's, the EEC had not only a high level of economic development, but its structures also were comparatively homogeneous. Greece, Portugal and even Spain (which had more economic growth potential), on the other hand, were less economically developed countries and if they became member states they would enhance the already existing difficulties in some regions and economic sectors. Besides that, the existing agricultural and industrial structures in all three countries were far different from those of the member states.

The concern that enlargement could jeopardize the EEC economic accomplishments and the cohesion of the common market was real; the fear that it could also weaken it and therefore question its fundamental aims was also existent²⁸. However, there were indeed few grounds for refusing membership to the three applicants. In spite of that, one could not underestimate the ability of member states to delay any enlargement process, as would be proven by the Iberian enlargement.

It was acknowledged that Spain's economy was relatively small in comparison with the EEC's, which could suggest that Spanish membership would not present major difficulties. This was not, however, the case, since that Spain competes most efficiently with the EEC in a number of areas. Furthermore, its economy was developing well, enjoying competition conditions, which privileged its expansion. On the other hand, one must recognize a certain structural weakness in Spanish companies to what concerns size, productivity and technology.

The accession negotiations started for Portugal at the 17th October 1978 and a few months later, at the 5th of February 1979, for Spain. Roy Jenkins, when it came to negotiations, asserted "that the Commission will do everything in their power to lead to a rapid and successful conclusion", bearing in mind "an agreement satisfactory to both parties"; he warned, however, for the many difficulties that had

²⁴ EDWARDS, G. and WALLACE, W., op. cit., pp. 3-4

²⁵ At that time, Greece was negotiating at a very good rhythm, which predicted that Greece's accession could take place by 1981; the Commission was working on forwarding its opinion on Portugal's application, which would soon be known; and it had also began its opinion on Spain.

²⁶ It makes a more complete analysis on agriculture, industry, energy, social and regional aspects.

²⁷ COMMISSION, "General Considerations on the Problems of Enlargement" (Communication sent by the Commission to the Council on 20 April 1978), in *Bulletin of the European Communities*, Supplement 1/78, Luxembourg, European Communities, 1978 [COM (78) 120 final]

²⁸ COMMISSION, op. cit.

to be overcome before integration²⁹. By then, it was useless to pretend, that Spain's accession would pose no problems. As Carlos Closa and Paul Heywood argue "the Spanish accession was a challenge for the EU member states, due not only to its size, but also because of the lack of complementary between the Spanish and the member states economy"³⁰.

While Greece's accession negotiations lasted for only two years, the Portuguese and Spanish ones, lasted for six/seven years. Whereas a good personal relationship between Karamanlis and Giscard d'Estaing speeded up Greece's negotiations and made it easier to accomplish accession, there was "considerable latent opposition within the Community to Iberian enlargement. France was the most hostile, while the Benelux countries were reluctant, and Italy uncomfortably thorn between Latin solidarity and the rivalries of Mediterranean agriculture" As Loukas Tsoukalis points out "the rhetoric on Western democratic ideals gradually gave way to heated discussions about the price of peaches and olive oil".

In June 1980, the first phase of negotiations, *vue d'ensemble*, had not yet been completed. Portugal and Spain instigated the EEC that it had to be concluded before summer holidays, starting the second phase, the actual negotiations, in autumn. The Commission agreed and felt that the "timing" to finish its work was possible, but the Council (= member states) did not commit to deadlines³³.

The perspective of enlargement brought up a series of tensions between member states, that would require a great amount of time and effort to be over and done. As Thomas Pedersen³⁴ argues, the EU's enlargement policy has become politicized and remains above all a "key political process", which makes that "the most lengthy and arduous part of the negotiations is not the accession negotiations between the Union and the applicant countries at ministerial or ambassadorial level, but the internal discussions of the Union itself".

Bigger issues, such as the British contribution, the community budget and the Common Agriculture Policy (CAP) reform, are going to be at the centre of the EEC's agenda in the 1980's. And ultimately, the British and French national interests on these matters will prevail.

IV. The barriers to overcome

There was an EEC's commitment to implement structural reforms as a key requirement to meet its internal and external obligations related to enlargement³⁷, arguing that the expansion and strengthening of

²⁹ AHCE, CONF-P/4/78, "Declaration made by Mr. Roy Jenkins, President of the Commission of the European Communities at the opening ministerial session of the negotiations between the European Communities and Portugal, further to Portugal's application to accede to those Communities, held in Luxembourg on 17 October 1978", p. 2

³⁰ CLOSA, C. and HEYWOOD, P. M., op. cit., p. 21

³¹ JENKINS, R., *European Diary*, 1977-1981, Collins, London, 1989, pp. 199-200

³² TSOUKALIS, L., *The European Community and its Mediterranean Enlargement*, George Allen & Unwin, London, 1981, p. 136

³³ AHCE, BAC 250/1980 n.°5, "Note de Dossier – Situation des Négociations avec l'Espagne et le Portugal après des sessions de négociations du 6.6.1980 et perspectives du déroulement futur", 16 juin 1980

³⁴ PEDERSEN, T., European Union and the EFTA Countries: Enlargement and Integration, Pinter Publishers Ltd, London, 1994, p. 138

³⁵ SCHIMMELFENNIG, F. and SEDELMEIER, U., op. cit., p. 3

³⁶ AVERY, G. and CAMERON, F., op.cit., p. 31

³⁷ EUROPEAN COMMUNITIES, "European Union – Reports for 1980", in *Bulletin of the European Communities*, Supplement 4/80, Office for Official Publications of the European Communities, Luxembourg, 1981

common policies must be pursued in parallel and simultaneously, but the former cannot ever be a condition to the later³⁸.

Negotiations with Portugal and Spain were now being conducted on the same basis than those of Greece and even those of the first enlargement and the concerns were also the same as that for the first widening: the need to strengthen the EEC before enlarging it.

Thus, in parallel with the negotiations, there was a need to expand and refocus certain Community instruments (particularly in agricultural and financial sectors) to deal with the three accessions (e.g., regional and social funds), to ensure that there will actually occur a considerable transfer of resources to the south of the EEC, so that future member states might receive everything they can absorb³⁹.

However, in this case, member states did not consider enlargement as an opportunity to enhance reforms, but rather "a source of misunderstanding about major policy issues and as an obstacle to further development of the Community in general" And there were other difficulties. As Desmond Dinan⁴¹ mentions, "EC's problems were a legion", including among them "a paralyzed decision-making process, a weak Commission, an agricultural policy seemingly out of control, a new French president (François Mitterrand) and a new British prime minister (Margaret Thatcher) who insisted on a budget compensation, a subject that dominated the next five years and the following fifteen summits", which made that accession negotiations got involved on this ongoing negotiation between the member states⁴².

The UK contribution to the budget

In the 1980's, an important issue that influenced the course, or rather, the non-political advancement of the negotiations with Portugal and Spain was the British contribution to the budget.

With the fall of the Conservative government of Edward Heath in 1974, and the come-to-office of the Labour Party, led by Harold Wilson, which did not agree with the British accession clauses, the EEC was immediately "confronted with the thorny issue of the British budget contribution" ⁴³.

In 1976, the UK was then the third largest net contributor to the community budget (Germany and Belgium) and the following year it was the second, just behind Germany. Even with the renegotiation and the transitional provisions, the situation remained. It was expected that once the transitional period was finished by 1980, the UK would became the largest net contributor. Such situation was due to: (1) the UK imported more goods outside the EEC than the other member states, so it paid more taxes on imports; (2) low rates of consumption meant that British consumers used more than the country's wealth, which meant that the country would contribute with more VAT for the Community budget; (3) off-budget, payments were dominated by CAP and the UK had a small agricultural sector and therefore received less than other member states which had larger agricultural economies. The problem was not, however, on the contribution the UK made to the EEC, but the amount it received in return⁴⁴.

⁴² AVERY, G. and CAMERON, F., op. cit., pp. 33

³⁸ AHCE, BAC 250/1980 n.° 64, "Briefing Note for President Jenkins, Venice Summit Meeting: Enlargement – President Giscard's remarks". 10 June 80

³⁹ AHCE, BAC 250/1980 n.º 5, "Note for the Attention of Mr. F. Spaak, head of the Enlargement Delegation: Portuguese Negotiations – Briefing for your Meeting with Mr. Natali", 12 June 1980

⁴⁰ DONGES, J. B., "A Comunidade Europeia na Encruzilhada", in FERREIRA, E. S. (ed.), *Integração Económica* – Teoria – CEE – A Adesão de Portugal, Edições 70, Lisboa, 1983, p. 276

⁴¹ DINAN, D., op. cit., p. 70

⁴³ GRIFFITHS, R. T., "A Dismal Decade? European Integration in the 1970s", in DINAN, D. (ed.), Origins and *Evolution of the European Union*, Oxford University Press, Oxford, 2006, p. 173 ⁴⁴ GRIFFITHS, R. T., *op. cit.*, p. 177

Two years earlier, in 1974, the renegotiation of the accession clauses was almost finished when the leaders of the Community mandated the Commission to create a "corrective mechanism" that would prevent the United Kingdom or any other member state to contribute too much to the EEC's budget. At the summit in Dublin (10-11 March 1975), it was decided to reimburse the UK. Months later, at the Dublin European Council (29-30 November 1979), Margaret Thatcher, elected meanwhile, did not accept the Commission's proposal to repay 350 million pounds; she wanted one million, maintaining her position during the following four and a half years; in this period of four/five years several temporary "cuts" were agreed, but no final agreement was reached, so the UK would begin to obstruct the progress in other areas, until its claim was accepted.

By this particular case, it began to be clear that the political rhetoric in favor of democratic consolidation in Southern Europe and the accession of candidate countries was giving way to the proper and immediate interests of the member states.

Institutional Reform

In the early 1970's, the institutions created by the Treaty of Rome indicated several weaknesses. To this regard, it was the hypothesis of enlargement that gave the final stimulus needed for institutional reform, because the prospect of enlargement came at a time when Community institutions were in need of reform⁴⁵.

Previously, the "Tindemans Report",46 already enclosed a section devoted to institutional reform, in which Leo Tindemans argues that the institutional basis as enshrined in the treaties should be maintained, since it improves the performance of institutions, whose authority was being deteriorated, which reflected itself in later decisions. After analyzing each institution, some recommendations were delivered, among which are considered the enrichment of the role of the European Council and of the European Parliament, the extent of use of majority voting, the coordination of Council activities, greater influence and cohesion of the Commission and the delegation of executive power.

The European Commission itself acknowledges that "the strengthening of the European institutional system must be pursued in the future, especially taking into account the predictable consequences of enlargement",47 and its president supports that "the impact of enlargement on the institutions, originally designed for six countries, seeking to accommodate nine, should be scrutinized" arguing that "the Community has to strengthen itself in order to support the future expansion".48.

Basically, it was a common understanding that enlargement EEC's "development and not to dilution", which implied "the development of common policies, institutions' strengthening and the improvement of political cooperation"⁴⁹.

This issue will be specifically placed in the context of enlargement in more than one occasion⁵⁰, because the deterioration of institutions was at risk, and there was no assurance that the present

⁴⁵ SEERS, D., op. cit., p. 8

⁴⁶ EUROPEAN COMMUNITIES – COMISSION, "European Union Report by Mr. Leo Tindemans, Prime Minister of Belgium, to the European Council", in Bulletin of the European Communities, Supplement 1/76, Office for Official Publications of the European Communities, Luxembourg, 1976, pp. 29-33

⁴⁷ EUROPEAN COMMUNITIES, "European Union Report for 1977 by the Ministers of Foreign Affairs", in Bulletin of the European Communities, Supplement 8/77, Office for Official Publications of the European Communities, Luxembourg, 1977, p. 10

⁴⁸ Address by Mr. Roy Jenkins to the European Parliament, on 8 February 1977, presenting the Commission's programme for 1977, in COMMISSION, Bulletin of the European Communities, No. 2, Commission of the European Communities, Brussels, 1977, p. 12

⁴⁹ EUROPEAN COMMUNITIES, op. cit., p. 14

institutional system would ensure an efficient decision-making process in an enlarged community, which had already occurred earlier in the transition from six to nine member states.

Thus, in the early 1980's, there was not only the perception but also the agreement to carry out institutional reforms, in order to make the decision process easier and more effective⁵¹. But this was still the beginning, dragging it until the conclusion of the accession negotiations and even beyond, ending only in 1986 with the signing of the Single European Act.

Negotiations' stops and starts

Since its beginning the negotiations remained slow. Attilio Ruffini, the Council's President, expressed the wish that the main problems were defined so that practical solutions could be found⁵², but between desires and achievements the road is long and sometimes winding. However, accession meetings continued⁵³. At the Luxembourg European Council (27-28 April 1980), no agreement was reached on the main subject on the agenda, the British contribution. It was then evident the lack of community cohesion and enthusiasm.

After a new year, the European Community changes with a new European Commission and a new President, Gaston Thorn, taking office, from January 6, 1981 to January 5, 1985⁵⁴, period which will almost match with the remaining length of the negotiations. Political progresses were, however, scarce. Gathered at the Luxembourg European Council (29-30 June 1981), the Heads of State and Government did not go further on enlargement, since the main discussion subject was the economic and social situation, besides restructuring EEC's budget. By then, not only the UK had problems with the budget, but also Helmut Schmidt did not accept that the Federal Republic of Germany (FRG) was the only net contributor to EEC's budget.

Until then, the prospect of new members did not pose special difficulties for France. That will, however, change starting June 5, 1980, with the abrupt and sudden change of attitude of Valéry Giscard d'Estaing. A year later, the French government presented to the other Member States and the European institutions, the "Mémorandum sur la Relance Européenne"⁵⁵, which suggests the consolidation and development of common policies, the improvement of EEC functioning and institutional cooperation, so

⁵⁰ EUROPEAN COMMUNITIES, "Enlargement of the Community - General considerations on the problems of enlargement", in *Bulletin of the European Communities*, Supplement 1/78, Office for Official Publications of the European Communities, Luxembourg, 1978 [Communication sent by the Commission to the Council on 20 April 1978, COM (78) 120 final], pp. 15-16; EUROPEAN COMMUNITIES, "The Institutional System of the Community – Restoring the Balance", in *Bulletin of the European Communities*, Supplement 3/82, Office for Official Publications of the European Communities, Luxembourg, 1982 [COM (81) 581, 7 October 1981]

⁵¹ BACHE, I. & GEORGE, S., op. cit., p. 153

⁵² COMMISSION, *Bulletin des Communautés Européennes*, n.º 2, Commission des Communautés Européennes, Bruxelles, 1980, p. 66; CONF-P/2/80, "2nd meeting of the conference at ministerial level, Statement by Mr. Attilio Ruffini, President-in-office of the Council of the European Communities on the progress of the conference"

⁵³ COMMISSION, *Bulletin des Communautés Européennes*, n.º 2, Commission des Communautés Européennes, Bruxelles, 198.; COMMISSION, *Bulletin des Communautés Européennes*, n.º 6, Commission des Communautés Européennes, Bruxelles, 1980; COMMISSION, *Bulletin des Communautés Européennes*, n.º 12, Commission des Communautés Européennes, Bruxelles, 1980

⁵⁴ JO L 9 du 9.1.1981

⁵⁵ "Mémorandum sur la relance européenne", in *Bulletin des Communautés Européennes*, n° 11, Office des publications officielles des Communautés Européennes, Luxembourg, 1981

that there could happen a European relaunch. This is the "official" statement; yet, the coming up of French elections and the "need" to please French farmers was the main reason behind this pause⁵⁶.

Between May 1981 and the end of the following year, French position had two axes: to impose its views to its partners and to make Portugal and Spain wait, until suitable solutions to the problems posed by enlargement were found, so not to repeat the Greek experience⁵⁷, which ironically joined on the conditions that joined because of the French patronage, under the motto "join first, negotiate later". Moreover, in this period, French position will be characterized by the refusal to initiate the most sensitive chapters, and to establish any future date for accession⁵⁸, a position which will not be shaken. Nevertheless, the French knew that they could not indefinitely postpone the negotiations, so slowly, it began to progress.

The delay or interruption in the negotiations could have dire political consequences for the applicant countries. On the other hand, delays, or even discontinuation of the enlargement process, might contribute to public opinion in applicant countries to weaken their views on democracy and European ideals, assigning responsibility to the EEC⁵⁹, so it was a two face game, equally dangerous.

Although, by this time, much of the initial commitment by member states had disappeared, and a decline in political will to make a success of enlargement was obvious, negotiations continued. More by habit than by will.

In spring 1982 the internal crisis led EEC, lacking a sense of direction in the formulation of Community policies, to the brink of paralysis, in an attempt to deal simultaneously with several problems. Later that year, the Council asked the Commission to work on an inventory⁶⁰ on issues related to enlargement, regarding both common policies and individual implications for each member state⁶¹, which resulted on a new document called "Problems of Enlargement – Taking Stock and Proposals", whose content revealed the existing obstacles concerning enlargement. It divides the obstacles in two categories: internal and thrown up by negotiations, with more detailed analysis on four sectors (agriculture, fisheries, industry and budgetary matters).

At the end of the year, during Copenhagen European Council (3-4 December 1982), Danish Prime-minister Poul Schlüter reaffirmed the EEC's political commitment in favor of enlargement and welcomed the Commission's Inventory, which itself was a breakthrough in the enlargement process, defining the way for the accession process⁶². The Council also recommended that the Commission should explore with the candidates the possibility to introduce internal measures before accession in order to prepare their economy, especially on the most sensitive sectors.

But domestic reform was stopped: CAP reform and the financing of the EEC, particularly in view of the contribution of the member states had threatened, more than once, the decision process, which, in turn, threatened the negotiations.

⁵⁶ BASSOLS, R., *op.cit*, p. 246

⁵⁷ SAUNIER, G., "Exorciser les Maléfices: François Mitterrand et l'Élargissement à l'Espagne et au Portugal", in LANDUYT, A. e PASQUINUCCI, D. (eds.), *Gli Allargamenti della CEE/UE 1961-2004*, il Mulino, Bologna, 2005, p. 137

⁵⁸ SAUNIER, G., op. cit., p. 142

⁵⁹ AHCE, BAC 250/1980 n.° 64, "Briefing Note for President Jenkins, Venice Summit Meeting: Enlargement – President Giscard's remarks", 10 June 80

⁶⁰ Supplement 8/82, "Inventory on the problems posed by enlargement for Community policies and for each of the Member States"

⁶¹ COMMISSION, *Bulletin des Communautés Européennes*, n.º 6, Commission des Communautés Européennes, Bruxelles, 1982, p. 17

⁶² COMMISSION, *Bulletin des Communautés Européennes*, n.º 12, Commission des Communautés Européennes, Bruxelles, 1982, p. 74

New year, old business. Early in 1983, on January 23, the Commission adopted amendments to rules related to fruits, vegetables and olive oil, as well as the guidelines of the integrated Mediterranean programs; and also focuses again on institutional issues⁶³.

Months went by, when another development came along; it was nothing practical, just another wishful intention from member states to solve their own problems and look for their own particular interests: the "Stuttgart Mandate", which had the mission of launching negotiations to resolve financial problems related to the third enlargement.

Meanwhile, Greece would hold the rotating Council presidency for the first time, in the second half of 1983. Few days before holding the presidency, Andhréas Papandhréou said to be in favor of membership, although he had reservations⁶⁴. It will be during this presidency that a breaking point is going to occur: after more than four years of negotiations, finally "the heart" of negotiations is reached – agriculture. One by one the lesser issues had been exceeded, and then "the decisive moment for the negotiations on the agriculture chapter would be reached in the spring of 1984 during the French Presidency, in which Mitterrand would be called upon to decide between the claims of farmers in southern France or veto the nominations of two southern European states"⁶⁵.

On October an agreement on Mediterranean products was reached, which was considered the overturn of a major obstacle to the progress of negotiations. Enlargement, nevertheless, was not a technical issue, it was of political nature.

Athens European Council Meeting (6 December 1983), whose main purpose was to implement the resolutions of the Stuttgart Mandate (increase financial resource, place a limit on spending and set a ceiling on agricultural surpluses), was a failure, which, in turn, led to no progress on enlargement. After the Athens' failure, on the next Council meeting (Brussels, 19-20 March 1984) it was still not possible to reach an agreement on the correction of the British contribution to the European budget. By that time, member states agreed on encouraging negotiations in order to conclude them on September 1984⁶⁶, which would not happen until Community's own resources could be raised.

At this point, France's attitude on linking enlargement to the restructuring of the financial structures of the Community was regarded as seeking "a dual purpose: to use the application of the two Iberian countries as a pretext to impose on other members of the EEC a certain mode of operation of the EEC."

It would be only at Fontainebleau (25-26 June 1984), that an agreement on the compensation amount for the UK would be reached: this agreement allows the execution of two others, namely the increase of own resources, with a maximum 1.4% VAT (Value Added Tax) and financial and budgetary discipline⁶⁸.

With the British problem solved, François Mitterrand speaks on an EEC's "vigorous rebound" and Gaston Thorn noted that afterward, to what concerns enlargement, "everything is possible, but not everything is guaranteed".

⁶³ COMMISSION, *Bulletin des Communautés Européennes*, n.º 2, Commission des Communautés Européennes, Bruxelles, 1983, p. 46-47

⁶⁴ HAEU, CPPE-2418, "La Grèce pour l'Adhésion de l'Espagne à la C.E.E.", Le Figaro, 24 June 1983

⁶⁵ HAEU, CPPE-2418, "European Community: Ten to Twelve?", The Economist, 27 August 1983

⁶⁶ COMMISSION, *Bulletin des Communautés Européenne*, n.º 3, Commission des Communautés Européennes, Bruxelles, 1984, p. 7

⁶⁷ HAEU, PCAP-2418, "Le Portugal menace to tourner vers d'autres horizons", *Le Monde*, 26 October 1983

⁶⁸ COMMISSION, *Bulletin des Communautés Européenne*, n.º 6, Commission des Communautés Européennes, Bruxelles, p. 7

⁶⁹ COMMISSION, op. cit., p. 12

⁷⁰ COMMISSION, op. cit., p. 13

Eight days before the summit in Fontainebleau, the EEC, Portugal and Spain had reached a framework agreement as to particular sectors, fact that generated a certain euphoria, which materialized at the summit with the definition of the accession date. In fact, the European Council meeting at Fontainebleau "marked a turning point in European integration"⁷¹, by solving the British budgetary issue, thus ending five years of wrangling and paved the way for CAP's reform.

The Fontainebleau's conclusions established September 30, 1984 as the deadline to conclude negotiations, an engagement all European partners knew that cannot be met⁷². Nevertheless, Mitterrand went to Lisbon and Madrid to personally give the good news of the Spanish and Portuguese accession.

Yet, at the same time, negotiations were blocked by disagreements between member states, which saw a double threat in enlargement: threat to Community's finances and to some of its economic sectors, especially agriculture and fisheries⁷³.

Just like in the 1970's, the Commission looked for a role for itself⁷⁴. Altogether, the Commission had a secondary role in the negotiation, when it comes to taking decisions, but it was the only institution that accompanied the applicant countries all the way and that had always a positive approach. From the outside, one can think that it is the Commission in fact that conducts negotiations, which is a wrong perception, since enlargement requires a unanimous decision by the European Council members, which dictated, along the way the time and conditions by which enlargement would be accomplished. And even they did not show the same attitude towards enlargement: enthusiastic at first, they soon became aware of the sort of questions involved and "weren't so generous and enthusiastic." thereafter.

The Italian Presidency, starting January 1985, began with the firm intention that the treaty would be signed during its presidency, so it redoubled efforts, especially through its Foreign Affairs Minister, Giulio Andreotti. At this stage, negotiations were to reach its political climax. They could not continue indefinitely and had to be completed in March⁷⁶.

Even so, and as for Spain, when both delegations were about to finish the remaining chapters, on the evening of the 21st of March, France had a last minute question about wine quotas and fishing boats⁷⁷. In François Duchêne's⁷⁸ opinion "the French, whose leaders originally saw Spain as a reinforcement of France's central position in the Community between the German and Latin worlds, have now realised that there are in fact many potential rivalries across the Pyrenees", mostly from an economic point of view.

In spite of this last minute divergence, a political agreement regarding enlargement was obtained on the night of 28 to 29 March: "it was 3:15 a.m. when the marathon session ended. As bleary-eyed foreign ministers spilled out of the 14th floor conference room atop Brussels' Charlemagne Building, they knew that they had just made history"⁷⁹.

Yet, enlargement would be still on hold due to Greece's question on the adoption of the IMP (Integrated Mediterranean Programme). Already after the end of negotiations, Greece revealed its

⁷¹ BACHE, I., and GEORGE, S., op. cit., p. 154

⁷² SAUNIER, G., op. cit., p. 148

⁷³ HAEU, CPPE-001655, "L'Ouverture à l'Espagne et au Portugal: Défi Historique, ou Source d' Ennuis?", *Le Soir*, 18 September 1984

⁷⁴ HARST, J., "Enlargement: The Commission Seeks a Role for Itself", in DUMOULIN, M. (ed.), *The European Commission*, 1958-72 – *History and Memories*, European Commission, Luxembourg, 2007, pp. 533-556

⁷⁵ LEITÃO, N. A., *Estado Novo, Democracia e Europa, 1947-1986*, Instituto de Ciências Sociais, Lisboa, 2007, p. 279

⁷⁶ Official Council's statement on the 29th January 1985, on which it is asserted the absolute necessity of concluding negotiations before the next European Council.

⁷⁷ ALONSO, A., *op.cit.*, p. 201

⁷⁸ DUCHÊNE, F., "Community Attitudes", in SEERS, D. and VAITSOS, C., op. cit., p. 37

⁷⁹ HAEU, CPPE-001657, "Then There Were Twelve", *Time*, 8 April 1985

intention to veto Iberian countries accession. That intention was overcome with the creation of the Comprehensive Integrated Mediterranean Programme, by which Greece would receive 2000 million ECU (European Currency Unit). With the IMP agreement, the Greeks draw back their reservation, which showed again the bargaining power of the member states in opposition to candidates.

Conclusions

Both Portugal and Spain accession's requests, entailed a long and complex negotiation process, which was not an "easy, short, nor quiet task". What might have appeared, at start, to be a simple and fast negotiation, similar to the previous ones⁸¹, ended after almost eight years of negotiations, in which everything interacted with and delayed the Portuguese and Spanish accession. In the end, EEC's accession treaties were signed on the 12th of June 1986, the year that became a turning point in the history of both Iberian states and that has allowed more than 25 five years of European community experience⁸².

Enlargement was indeed on the EEC's agenda in the 1980's, but it wasn't by far its main concern. Community budget, CAP reform, the British reimbursement, were main topics that stood on the Community's agenda alongside with the enlargement. However, until all of these questions were dealt with and in a satisfactory manner for all member states, enlargement was stalled.

Although negotiations were never formally stopped, they depended on the resolution of these major community issues. Several European summits and Council meetings between 1980-84 were dominated by the British contribution to the community budget. No advances were made regarding enlargement, with an intransigent Margaret Thatcher who demanded for to resolution of the British contribution first.

Even if EEC/EU's history has proven that "enlargement has acted as a stimulus for deepening" because it compels institutional changes and the reform of community policies, it was often said that enlargement could not put at risk the bases, objectives and cohesion of the Community, nor its future development, which might happen if all three south European countries joined the EEC still in the 1970's. Still, not all the three candidate had a similar treatment, since Greece had a preferential one. In that sense, one can argue that if the EEC gave the same initial positive response to all applicants, it ultimately gave a different treatment to each of them, benefiting Greece, and harming Portugal and Spain.

In the end, French interests prevailed and it was thanks to enlargement that the Mediterranean Integrated Programme was established and that France decided in its favor to a political-technical issue (social-adjustment derived from economic expansion) that lasted for several years⁸⁴.

⁸⁰ BASSOLS, R., *op.cit.*, p. 1

⁸¹ British, Danish and Irish negotiations lasted for one year and seven months, and the Greek two years and ten months.

⁸² FERREIRA-PEREIRA, L., Portugal in the European Union: Assessing Twenty-Five Years of Integration Experience, Taylor & Francis Group, London, 2012; ROY, J. and LORCA-SUSINO, M. (eds.), Spain in the European Union: The First Twenty-Five Years (1986-2011), University of Miami, Miami-Florida, 2011; FERREIRA, E. P. (coord.), 25 Anos na União Europeia - 125 Reflexões, Almedina, Coimbra, 2011; LEITÃO, N. A. (org.), 20 Anos de Integração Europeia (1986-2006) - O Testemunho Português, Cosmos, Lisboa, 2008; ROYO, S. and MANUEL, P. C., Spain and Portugal in the European Union: The First Fifteen Years, Frank Cass, London, 2003

⁸³ VERNEY, S., "Creating the Democratic Tradition of European Integration: The South European Catalyst", in SJURSEN, H. (ed.), *Enlargement and the Finality of the EU*, ARENA Report No 7/2002, ARENA, Oslo, 2002, p. 101

⁸⁴ SAUNIER, G., *op. cit.*, pp. 148-149

Member states used the prospect of enlargement to achieve particular policy goals, such as improvements in decision-making procedures and the reform of CAP, with the European Council determining the time and conditions by which enlargement would become a reality. As former European Commission president Roy Jenkins⁸⁵ stated, "the formal process of decision is reasonably well known. The Commission proposes; the Council disposes", which was exactly what happened regarding the Iberian enlargement.

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⁸⁵ JENKINS, R., op. cit., p. 4

- HARST, J., "Enlargement: The Commission Seeks a Role for Itself", in DUMOULIN, M. (ed.), *The European Commission*, 1958-72 History and Memories, European Commission, Luxembourg, 2007, pp. 533-556
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