Croatia in the European Union

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Program

I. Croatia – a few facts

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III. Croatia in the EU – Pros & Cons

IV. Further EU Enlargement - Discussion
Croatia – a few facts

Political system: Parliamentary Republic
Capital city: Zagreb
Total area: 56,594 km²
Population: 4,489,409
Currency: Kuna
EU Accession Procedure for Croatia

- EU Accession Application - 21 February 2003
- EU Commission's positive opinion - April 2004
- Official Candidate Status granted by the European Council – June 17/18, 2004
- Croatia – EU Council accession negotiations opened – October 3, 2005
- Revised Accession Partnership adopted by the Council – February 12, 2008
- EU – Croatia 7th Stabilisation and Association Council – April 19, 2011, Brussels (GOAL: revision of the accession process)
- European Council meeting about Croatia’s accession – June 23/24, 2011
- Negotiations closed – 30 June 2011 (Accession Conference at Ministerial level)
- Commission’s positive opinion for Croatia's accession – October 12, 2011
- European Parliament’s consent – December 1, 2011
- Council’s decision on the admission of Croatia to the EU – December 5, 2011
- Croatia’s Accession Treaty signed – December 9, 2011, Brussels
- NOW: national ratifications of the Treaty by the EU Member States; Croatia an active observer in the European Council, the Council and its preparatory bodies
- Croatia expected to join the EU on 1 July 2013
EU Enlargement Policy Overview

The more we are... (1:26)
http://www.youtube.com/watch?v=YkLkSHISvTA

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Enlargement Goals
## Stages of Regional Integration

<table>
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<tr>
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<th>Free trade between members</th>
<th>Common external tariffs</th>
<th>Free movement of production factors</th>
<th>Harmonization of economic policies</th>
<th>Centralized economic &amp; monetary policy</th>
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<tbody>
<tr>
<td><strong>FTA</strong></td>
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<td><strong>CU</strong></td>
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Stages of Regional Integration 1

1. **Free Trade Area** – abolition of tariffs

   - **FTA risk** - a country with lower external tariff level imports more goods and then sells them to other countries inside the FTA

   - **Solution** - rules of origin (the good should be produced in an FTA country)

   - **Problem** – need for a very complex system: control of amount, verification of origin, etc. ➔ Administrative & technical measures are more complicated
2. Customs Union

- CU Result - Common Trade Policy
- more and more linkage between countries
- complexity is growing → creates demand for more complex institutions
- Problem – bureaucracy
- Example - European Community at the beginning
3. Single Market

- free movement of factors of production
- common economic policies
- stage where you create technical standards and regulations of a market
- Less control = less administrative problems
- **Problem**: functionality issue → need for institutions upgrade
- **Example** - EU single market 1985 – 1992
4. Monetary Union

- Common currency = €
- European Central Bank

- Problems – Double Speed Europe, neglecting convergence criteria, creative accounting, financial disease – spreading, etc.) – anything else?
- Under actual observation
Legal Framework

- Applying Countries
- Enlargement Process
- Potential Candidates
- Stabilization & Association Process

BIGGER EU

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1. Treaty on European Union – Article 49
2. Treaty on the Functioning of the European Union – Article 212
3. Individual EU enlargement laws
4. Recent European Court of Justice rulings
5. Draft legislation
Legal Framework 2

6. **Copenhagen Criteria**
   - Candidate State has institutions to preserve democratic governance and human rights
   - has a functioning market economy
   - accepts the obligations and intent of the EU

7. **Convergence Criteria**
   - **Inflation rates:** Max. 1.5 p.p. > than the av. of 3 best MS
   - **Gov’t deficit/GDP** < 3% at the end of the preceding fiscal year
   - **Gov’t debt /GDP** < 60% at the end of the preceding fiscal year
   - **Exchange rate:** 2-year members of ERM II of the EMS
   - **Long-term interest rates:** Max. 2 p.p. > than the av. in 3 lowest inflation MS
The Economist - Short History of European Enlargement (3:45)
http://www.youtube.com/watch?v=0sez84Br7FA&feature=related

Most popular arguments pro & against by D. Maverick (1:36)
http://www.youtube.com/watch?v=zzZhBC1Zaq0&feature=related
EU Enlargements

- 1951 - EU Founding Members: Belgium, Italy, France, Netherlands, Luxemburg, Germany
- 1973 - 1st Enl. - Denmark, Ireland, UK. Norway says NO
- 1981 - 2nd Enl. - Greece
- 1986 - 3rd Enl. - Spain and Portugal
- 1995 - 4th Enl. - Austria, Finland, Sweden
- 2004 - 5th Enl. - Cyprus, Czech Republic, Estonia, Lithuania, Latvia, Malta, Poland, Slovakia, Slovenia, Hungary
- 2007 - 6th Enl. - Romania, Bulgaria
- 2013 - 7th Enl. - Croatia

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Who might join next?

In search of the next Croatia: (1:07)
http://www.youtube.com/watch?v=sHfpPFIdvlE

Prospect of EU membership:

Official Candidate, Potential Candidate, Aspiring Country:

- Albania
- Bosnia & Herzegovina
- Former Yugoslavian Republic of Macedonia
- Iceland
- Kosovo
- Montenegro
- Serbia
- Turkey
- Ukraine
How do YOU feel about it?

WHO would you welcome?

WHY?

WHY NOT the others?
We ain’t much different

We ain’t much different (1:05)
http://www.youtube.com/watch?v=U7849a_G7MQ

http://www.youtube.com/watch?v=RVN_iuVcIJE
Thank You for Your Attention

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