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European enlargement as the way for EU to compete in the modern world

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Introduction

In the contemporary world countries are interdependent and integration cannot be stopped already. After centuries of destructive wars, specially two world wars, people have understood that the next big conflict can bring humanity to collapse and only cooperation between countries can bring good economic results to their peoples. So, former enemies yield up parts of their national sovereignty to supranational structures to avoid future destroying confrontation. Nowadays integration blocks and organizations are wide spread all around the world. International cooperation accelerates on economic, political and social issues. Global commerce is becoming more dense and speeds up. No single firm can effectively compete as an autonomous agent working solely through a market-exchange mechanism. And also nation-states can no longer go it alone in a dense, interdependent world. Like transnational companies, they are slowly coming together in cooperative networks to better accommodate the realities of a high-risk globalized society.¹

European Union has reached the highest level of integration, it has its parliament, president, and some countries even share common currency. NAFTA is the only one integration block, which consists of the whole continent. Integration processes in Asia

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¹ J. Rifkin, *The European Dream. How Europe's Vision of the Future is Quietly Eclipsing the American Dream*, Penguin Books, New York 2005, p. 191.

speed up after the last crisis. ASEAN is the most powerful block there. Arabic countries cooperate mostly for religious issues, but also for economic and political ones. Integration in Africa is not so strong yet, but some moves forward are also seen there. Russia wants to fasten its influence into former Soviet Union countries by making a custom union. The world is coming together.

World integration processes

Undoubtedly, European Union has reached the highest and closest level of integration in the world history. But Europe is not sui generis. The processes at work in Europe are happening in other regions, of various sizes and compositions, and ultimately in the world as a whole. The world is in the process of sorting itself out. If integration would be inevitable, then it is only because of humans, cumulatively, are making the choices that will integrate the Planet. If we understand the process and our own contributions to it better, we will be in a better position to guide it towards a deliberate outcome. We can, and should, take responsibility for the world we are creating.²

Some scientists even go so far that believe in the globally integrated world. Ideological basis of such conception can be a Mondealism theory (from french „Monde” – the world). Essence of this theory is taken to inevitability of world integration, in transition from multiplicity of the states to single compatible global space. This ideology admits confluence of all states and people to a planetary formation with establishment of one world government, elimination of racial and cultural borders. Accordingly, such fundamental category, as the state loses the value, and in the future regions will purchase in one intercontinental block.

Out of methodology of international economic integration, a universal superpower that is based on the so-called common to all mankind and humanistic values will be created in this century. Transcontinental space, that will unite countries and regions that is most intensively integrated, must become territorial basis of such a union. By the criteria of the World Bank, the high speed of integration characterizes the most developed countries, and also countries with relatively hasty growth. Thus in the future Earth will come forward as integrity.

We can see now confirmations for this theory in most parts of the world. The North American Free Trade Agreement (NAFTA) is an agreement signed by Canada, Mexico, and the United States, creating a trilateral trade bloc in North America. It came into force on January 1, 1994. Now NAFTA is the biggest integration organization in the world

² O.T. Ford, *Propects of Integration and Disintegration in the World*, 2003 September, <http://the-stewardship.org/research/world-integration.htm> (22.02.2014).

according to its territory and third by its population. The EU is now the world's largest economy, but if combined the economies of NAFTA's members – the U.S. (\$16.72 trillion), Canada (\$1.52 trillion) and Mexico (\$1.86 trillion) – it would be easily the largest, at \$20.10 trillion.³

The Association of Southeast Asian Nations (ASEAN) is a geo-political and economic organisation of ten countries located in Southeast Asia.⁴ Members of the ASEAN together with the group's six major trading partners – Australia, China, India, Japan, New Zealand and South Korea – are slated to begin the first round of negotiations to form the world's largest economic bloc by 2015 aimed the ASEAN Economic Community integration under the Regional Comprehensive Economic Partnership (RCEP), a regional architecture for mutual economic partnerships between participating countries, similar to the free-trade model of the European Union.⁵

Asia's economies, increasingly concerned about the slowdown in Europe and the sluggish US recovery, are trying to counter the trend by focusing on their regional economic strength. The RCEP is expected to ease trade for all members and give regional economic integration a boost. Analysts already see a powerful trade bloc emerging that “will change the world economy significantly”, according to Ganeshan Wignaraja, an economist at the Asian Development Bank.

MERCOSUR is an economic and political agreement among Argentina, Brazil, Paraguay (was suspended), Uruguay and Venezuela. Bolivia, Chile, Colombia, Ecuador, Guyana, Peru and Suriname currently have associate member status. It has been updated, amended, and changed many times since. It is now a full customs union. In 2008 the Constitutive Treaty of South American Union of Nations (UNASUR) was signed in Brasil. UNASUR is the successor of the South American Community of Nations (CSN), which was established when 12 South American leaders signed the Cuzco Declaration in the city of Cuzco, Peru, in 2004. The CSN united two trade groups – the Andean Community and MERCOSUR, which continued to exist in their own right – with the addition of Chile, Guyana, Suriname. UNASUR was created to propel regional integration. It was inspired and modeled after the European Union. Some of the alliance's long-term goals are to create a continental free trade zone, a single currency and an interoceanic highway.⁶

³ *Report for Selected Countries and Subjects*, International Monetary Fund, <http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/weorept.aspx?sy=2010&ey=2013&scsm=1&ssd=1&sort=country&ds=.&br=1&pr1.x=72&pr1.y=17&c=111&s=NGDPD%2CNGDPDPC%2CPPPGDP%2CPPPPC%2CPPPSH%2CLP&grp=0&a=> (22.02.2014).

⁴ ASEAN, <http://www.asean.org/asean/about-asean> (10.08.2013).

⁵ A. Maierbrugger, *ASEAN+6 Trade Bloc in the Making*, Investvine, <http://investvine.com/asean6-trade-bloc-in-the-making/> (14.11.2013).

⁶ UNASUR, Britannica, <http://www.britannica.com/EBchecked/topic/1496583/UNASUR> (22.02.2014).

In another part of the world very close to the European Union integration is pushing up by the biggest country of the world – Russia tries to dominate in different Asian communities. The Commonwealth of Independent States is a regional organization whose participating countries are former Soviet Republics, formed after the breakup of the Soviet Union. The CIS is a loose association of states and in no way comparable to a federation, confederation or supranational union such as the European Union. The Eurasian Economic Community originated from the Commonwealth of Independent States and Customs Union of Belarus, Kazakhstan and Russia on 29 March 1996.⁷

The African Union (AU) is a union consisting of 54 African states. The AU was established on 26 May 2001 and launched on 9 July 2002 in South Africa⁸ to replace the Organisation of African Unity. The most important decisions of the AU are made by the Assembly of the African Union, a semi-annual meeting of the heads of state and government of its member states. The combined states of the African Union in 2012 constitute a nominal GDP of US\$1.627 trillion. By measuring GDP by PPP, the African Union's economy totals \$2.849 trillion, ranking it 6th after Germany.⁹ The AU's future goals include the creation of a free trade area, a customs union, a single market, a central bank, and a common currency (African Monetary Union), thereby establishing economic and monetary union. The current plan is to establish an African Economic Community with a single currency by 2023.¹⁰

It is important to notice, that there are much more integration organizations in the world. Also there are more than 400 agreements between countries of reducing trade barriers. Although some disintegrated movements take place on the world map, integration is more powerful process and it will speed up in the future according to most forecasts. The comparison of the biggest and the most influential world blocks can be seen in the table.

⁷ Agreement on Foundation of Eurasian Economic Community (EAEC).

⁸ *Launch of the African Union, 9 July 2002: Address by the Chairperson of the AU, President Thabo Mbeki*, http://www.africa-union.org/official_documents/Speeches_&_Statements/HE_Thabo_Mbiki/Launch%20of%20the%20African%20Union,%209%20July%202002.htm (10.10.2014).

⁹ *Country Comparison: GDP(PPP), The World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html?countryName=Cameroon&countryCode=cm®ionCode=af&rank=95#cm> (15.10.2014).

¹⁰ Profile: African Union, http://news.bbc.co.uk/2/hi/africa/country_profiles/3870303.stm (1.02.2012).

Table 1. Comparison of main integration organizations in the world

	ASEAN	EU	NAFTA	MERCOSUR	African Union
1. Shared broad political objective	Fight against Communism (1967), then liberalization of trade	Prevent European wars, develop democracy	Not clear, except liberalization of domestic/international relations	Loosening dependence from the world economy	The implementation of democracy, peacekeeping
2. Equality, power and standards of living	Low complementarities, macroeconomic imbalances, South-South integration	Co-existence of medium size and small open economies	Significant heterogeneity but complementary specialization	Significant asymmetry between Brazil and Argentina and even more Uruguay and Paraguay	Low level of development, in some countries extreme poverty
3. Starting point	Statement about completion of a common market	Market of steel and coal	Only 65% of trade is covered by the agreement, many exceptions	Reduction of tariffs and special arrangements	The quest of internal exchange, reducing the external exchange
4. Creation of multinational entity for integration	None but inter-parliamentary organization (AIPA)	From European Community to ECB	No, absence of supranational body	Quasi exclusively intergovernmental coordination	Assembly of the African Union
5. Mechanism for compensating the losers	Not present	Structural funds, articulated negotiations	Not explicit, but existing (Mexican bailout in 1994)	None	None
6. Use the competition on the common market	Emerging concern for monetary and financial stability after 1997	From a common market to a common currency	Foreign Direct Investment common rules	Mention of the need to coordinate macroeconomic and exchange rate policies	The quest of the common market
7. Create a common jurisdiction in order to solve conflicts, common rules	Not present	European Court of Justice key role in the evolution of jurisprudence	No, litigation only via national courts	Seemingly none	Ordinance, directive

Source: author's elaboration.

American scientist J. Nay considers, that the strongest world integration processes will take place in three economic blocks, world triad: European Union, North American Free Trade Agreement (NAFTA) and Association of Southeast Asian Nations (ASEAN).¹¹

Table 2. Comparison of world triad – EU, ASEAN / ASEAN+6 and NAFTA

	EU	ASEAN / ASEAN +6	NAFTA
1. Territory, mln km ² (% of the world)	4.3 (2.9%)	4.5 (3.1%) / 40.1 (27.0%)	21.6 (14.6%)
2. Population, mln people (% of the world)	500.0 (7.3%)	600.0 (8.8%) / 3300.0 (48.4%)	444.0 (6.5%)
3. GDP in 2013, trillion US dollars (% of the world)	17.3 (20.1%)	2.5* (2.8%). 17.0** (20.0%)	20.1 (22.5%)

*, ** – predicted data.

Source: made by the author using the data from IMF country information.

So, after analyzing world integration processes it is obvious to notice that EU, NAFTA and ASEAN are the most powerful blocks both economically and politically. But that mind is not accepted by all scientists, some have their special view into future alignment of forces in the world. And no theory can be taken as completely true. But although future stays uncertain politicians and economists have to come to their decisions according to forecasts, analysing what is more likely to happen and remembering, that the world is changing rapidly and integration speed up in different parts of the world, blocks of countries change their partners, become more or less influential in the world policy.

The need of EU's future enlargement

The EU represents the world's largest trade power and aid donor, has a diplomatic service larger than that of most states, and has launched more than 20 civil-military operations. It has presented itself as a normative, global actor, and its emergence as a legal entity that is neither a state nor a classic international organization has both puzzled and fascinated legal scholars and political scientists alike.¹² Besides the emerging international policy of the European Union, its international influence is also felt through enlargement. The perceived benefits of becoming a member of the EU act as an incentive for both political and economic reform in states wishing to fulfil the EU's accession

¹¹ J. Nay, *What is the World Order?*, "USA: Economics, Politics, Ideology" 1992, no. 11, p. 6.

¹² *The European Union in Global Governance*, <https://iversity.org/courses/europe-in-the-world-law-and-policy-aspects-of-the-eu-in-global-governance> (3.01.2014).

criteria, and are considered an important factor contributing to the reform of European formerly Communist countries.¹³

In spite of a huge number of various international and regional organizations, not all countries of the world have chosen clearly their way of integration. Still there are many countries, which can be interesting from geopolitical, economical and other reasons, and which face a choice. And for world gross integration blocks such states can be sticking points, which can change future world alignment of forces significantly. Another very important thing is that every integration union was build for its specific purposes, holding its unique ideas and valuabilities. And if thinking about globally integrated world as future possible reality, it is crucially to know what treasures it will hold. And if it will be formed around the most powerful block, we should think which one is going to take that guide. If the fight for the global leadership has begun, there is no time for hesitating but searching for any opportunity to spread the influence. Further enlargement can be a good way for that.

The European Union has long viewed the enlargement process as an extraordinary opportunity to promote political stability and economic prosperity in Europe. Since 2004, EU membership has grown from 15 to 28 countries, bringing in most states of Central and Eastern Europe and fulfilling an historic pledge to further the integration of the continent by peaceful means.¹⁴

The European Union membership has many advantages for new countries such as the European Single Market, which enable companies to trade in an international market, a monetary union, environment protection and war prevention. On the other hand, of course, there are some disadvantages like the loss of national sovereignty and little influence that small states have.¹⁵ But even some difficulties appear with new members of EU, still a lot of states seek for integration into this world superpower. The same for European Union itself, even in the time when European economy was not renewed yet after the crisis, the union was able to enlarge by Croatia.

According to the report “Towards a European Global Strategy”, the principal aims of the European Union are to promote its shared values, peace and the well-being of its peoples. On-going transformations at the global, regional and European levels create opportunities as well as challenges for the Union and demand strategic thinking on an ambitious and assertive external agenda. The report also states that at the regional level, the EU should continue the enlargement process, but change the guiding rationale for rela-

¹³ J. Peterson, *Enlargement, Reform and the European Commission. Weathering a Perfect Storm?*, “Journal of European Public Policy (Taylor & Francis)” 2008, no. 15(5), p. 762.

¹⁴ K. Archick, *European Union Enlargement*, “Congressional Research Service”, 2.07.2013, p. 1.

¹⁵ M. Chilongo, *The Advantages and Disadvantages of EU Membership*, <http://www.scribd.com/doc/32247766/The-Advantages-and-Disadvantage-of-EU-Membership> (31.05.2010).

tions with its neighbours. It should look on its surroundings as a strategic neighbourhood: a geopolitical space that includes not only its traditional neighbourhood, states whose geographical proximity connects them to the EU, but also broader areas that are functionally linked to vital European interests. In this space, the EU should work in partnership with local governments and societies for democratic transition, human rights and free trade and take security responsibility. According to the report, by pursuing these strategic objectives the EU and its member states will secure European influence and engage with its surroundings and partners worldwide in a way that is proactive and not just a response to the actions of others; realistic about what can be accomplished; and adaptive to changes in the global environment. A European Union that is able to cope with external challenges will also be able to provide a new driving narrative for its citizens.¹⁶

To sum up, the advantages of EU's enlargement can look as following:

1. Moral obligation. According to its treaty, the EU is based on "freedom, democracy, equality, the rule of law and respect for human rights." Most present candidates are part of a common European family shut out due by historical injustices. Once they meet democratic and economic criteria, the EU has a moral obligation to let them in.
2. Export stability. Enlargement has been the EU's most successful foreign policy tool. The enlargement policy can export stability, democracy and economic well-being into a potentially disruptive neighbourhood.
3. Strength in number. We live in a world of emerging superpowers. A bigger EU will be better place to make its voice and its values respected. Strategically important countries like Turkey with its 75 million people and dynamic economy, and an industrial powerhouse like Ukraine (45 million) will bring a huge power boost for Europe. Turned away, Turkey could emerge as a rival; Ukraine and Serbia slip into Russia's embrace; Bosnia and Albania become bridgeheads for Islamists.
4. "New blood". Successive enlargements have enriched and invigorated the European Union. Nordics brought traditions of openness, social justice and environmental awareness; newly free nations in southern and Eastern Europe reminded jaded older members of the value of democracy. For the EU to remain dynamic it must remain open. Enlargement adds to the cultural diversity, that is Europe's greatest treasure.¹⁷

The question of integration is not so clear. From one side, maybe it is not good time for European Union to think about enlargement but try to solve its inner problems. But

¹⁶ *Towards a European Global Strategy, Securing Global Influence in the Changing World*, <http://www.euglobalstrategy.eu/nyheter/opinions/towards-a-european-global-strategy-report-release> (28.05.2013).

¹⁷ *Arguments for and Against EU Enlargement, Debating Europe*, <http://www.debatingeurope.eu/focus/infobox-arguments-for-and-against-eu-enlargement/#.U1GoMSzk0m2> (6.10.2013).

as it was said before, outside world makes strong calls for every unit, which wants to have a proper place in it. So, if EU wants to progress, it should learn to work in all directions at the same time. And if, for example, a crisis happens, some resources are needed for fighting with it, but others are to be left for the other challenges. Of course, new members will bring some problems and difficulties into “the old Europe”. But enlargement is an onward movement of every integrational organization, especially in the present world competition of super powers. So, maybe we should not think what is good or bad but about which alternative is better one. Just analyzing forecasts, decide which scenario we would like to see more. And if thinking that some candidates for EU’s membership can become parts of other integration unions, realize their potential elsewhere and then compete with it, the better decision will be to support such countries in their European aspiration.

Conclusion

Analyzing the problem of world integration processes and required EU’s response to them, some important insights were found. Undoubtedly, global cooperation speeds up and none country can stay aside it. According to comparison of world integrated blocks made in two tables in the article, it can be concluded, that these organizations differ in their structure, purposes they were formed for, values etc., but still their main aim is to become more competitive comparing to others. Taking more countries into the integration block is one of its best ways to grow more power. So, after careful studying of the present world order, realizing future possible scenarios, it can be said that enlargement is a right way of EU’s development, good chance to fasten its global economic and political influence. That is why it should move in that direction, even some problems are likely to appear on its road. The Union has a long history of enlargement and was capable successfully to solve troubles connecting with it. And now the UE also has such a possibility to strengthen its global position by bringing European standards of life and democratic values to more countries on the European continent and even further. If the world is going to transform into one state with one government, the EU probably has more rights to take a leadership in the process and build it on its democratic values, but it need to develop constantly not to lose the opportunity.

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Summary

The world we dwell in is more complex and changeable than it was years ago. Different nations are bound together economically and politically by the decisions of their leaders, business elites, and sometimes societies themselves. People begin to think globally. Integration has become an integral part of foreign policy strategies of all countries, which want to "stay in game". The most developed parts of the planet have formed great integrated blocks; they compete with each other and leave at the periphery states, which are not their members. Many scientists believe in the possibility of a totally integrated world. And if this comes true, we should take into account, that still there are huge differences between countries, so, if the world is going to be united, the problem of choosing some global values rises. Then the block of the most integrated and influential countries has bigger chances to take the leading role in the process. Thinking of such an organization, the EU comes into the mind. From the author's point of view, it is the most democratic and successful form of integration in the present world. The aim of the article is to persuade, that strong integration processes do exist in the world, global superpowers increase their influence and struggle to be the first; that is why the EU should be also competitive and further enlargement can be a good way in this direction. From the author's point of view, EU's integration with more countries can help it to take the leadership in possible uniting the world.

Rozszerzenie UE jako sposób rywalizacji we współczesnym świecie

Świat, w którym żyjemy, jest bardziej skomplikowany i zmienny niż lata temu. Różne narodowości są związane z sobą ekonomicznie i politycznie przez decyzje swoich liderów, elit biznesowych czy czasami samych społeczeństw. Ludzie zaczynają myśleć globalnie. Integracja stała się integralną częścią politycznych strategii państw, które chcą „zostać w grze”. Najbardziej rozwinięte państwa świata sformowały wielkie bloki integracyjne, rywalizujące ze sobą i zostawiające na peryferiach te kraje, które nie są ich członkami. Wielu naukowców wierzy w możliwość całkowitego zintegrowania świata. I jeśli to spełni się, trzeba pamiętać, że z powodu dużych różnic między państwami problemem może być obowiązujący w takiej organizacji system wartości. Większe szanse na przejęcie przywództwa w tym procesie ma blok najbardziej zintegrowanych i wpływowych państw. Z punktu widzenia autora, Unia Europejska jest najbardziej demokratycznym i udanym przykładem integracji na świecie. Celem artykułu jest udowodnienie, że mocne procesy integracyjne naprawdę istnieją na świecie, globalne supermocarstwa zwiększają swój wpływ i walczą o pierwszeństwo; dlatego UE też musi być konkurencyjna i dalsze rozszerzenie może być dobrym krokiem w tym kierunku. Z punktu widzenia autora, rozszerzenie UE o kolejne państwa może pomóc jej zostać liderem w możliwym zjednoczeniu świata.

Tłumaczenie Alina Nychyk