

THE POTENTIAL OF ENLARGEMENT OF THE EUROPEAN UNION

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***Abstract:** The article deals with the possibilities of expansion of the European Union, not only by the membership, but also by the other integration methods. In the basic documents of the European Union, which form the legal basis of the arrangement of the European Union is not the geographical jurisdiction strictly mentioned to the old continent. This enables further enlargement of the European Union outside the geographic territory of the European continent. In addition, the European Union has the possibility to use different degrees of integration, without the condition the potential states must be forced to be members of the European Union. Outside the European Union is mentioned the African continent and its selected regions, region of North African countries and the region of South African countries in this article. All countries (European and African) have been submitted by indicator the Failed States Index, and with the help of indicators of World Bank Data Set has been processed in the time series, which are ten-years development in selected indicators.*

***Keywords:** The EU, The AU, The EU enlargement, Security, Economic indicators, Analysis.*

***JEL Classification:** F15, F59.*

Introduction

One of the specific globalizing effects is, for instance, the process of the EU enlargement. This process is carried out continuously for the entire existence of the European Union and its previous groupings. Enlargement of the European Union is an expression of efforts to secure peace, the elimination of threats of further warfare and thus prevent any armed conflict, not only on its own territory or the territory of their own members.

In general, with the existence of a safe state (and the supranational region) is linked with the economic advantageousness and stability. Using the economic benefits of the international treaties and agreements were originated the European Coal and Steel Community (the ECSC) as the first European integration. With economic and security stability is generally linked a safe and stable environment as well. The same is valid for the European Union.

The aim was to compare the states of the European Union with the states of the African Union (AU) which are localized in two different regions – the states of the North African region and the States of the South African region.

1 Potential enlargement of the European Union

Enlargement of the European Union is not linked only to the membership in the European Union, but the expansion of the European Union can be in many different

grades, which are qualitatively at other levels. It should be noted that the European Union, whose rise to the end of the forties, respectively in the early fifties of the last century, was primarily led by effort to avoid the possibility of further destructive conflict. Evidence is in both of World Wars in a relatively very short time span, which took less than a half century.

The further an objective factor of safety are historical animosities that exist in Europe, in particular thanks to the integration processes, overcome even between states, which were considered in the long term for the enemy (e.g. France and England, Sweden and Denmark). On the other hand it should be added that the tension between Greece and Turkey continues, even though they are in the same security community [6].

The issue of conflicts in the world today is significant in connection with the further expansion of the European Union, and therefore, for the international relations of the European Union with its surroundings. It's not in such cases the enlargement of the European Union by another member of the European Union, but a different level of relationship with the environment of the European Union, allowing for not only the good-neighbourly relations, but also the security and stability of the European region. A different form of the enlargement of the European Union is one of the priority plans to provide the safer future in the following years, more stable and without significant complications.

1.1 The current process of enlargement of the European Union

The enlargement of the European Union goes in several directions in several levels. The main distinguishing aspect is the internal enlargement within their territory of the European continent. It is possible to calculate the external enlargement of the European Union with more possibilities, although they have limited directions, where to expand, but less limited options how to widen.

Firstly, the European Union has a primary interest in their integrity and stability on its own territory – it means the European continent. There is the further negotiation of the rapprochement with those European States which are not yet members of the European Union, and at all levels, in order to achieve the highest possible representation of all of the European states in the European Union.

In the next sequence has the European Union interest to be expanded outside the European continent. This type of spread may be maintained by land but only two main geographical directions: One of the possibilities is to the East, where there are States, such as Belarus, Ukraine and the states of the former Soviet Union. The second option is the south-easterly direction to the Middle East. There is interest on the part of the European Union in Israel, which is in the region with the highest economic level and other parameters, which comply with the conditions of entry of all entities in the region. There is Turkey which is geographically on the way to other countries, the country that has the fast growing economy and the growing respect in the region. Both countries, however, have their own specificities, which are not very welcome in the European Union.

It appears that the enlargement of the European Union to the South to/on the African continent can be the fairly realistic possibility. But it is the direction which is behind the European continental borders as one of the essential conditions for the existence of regional transnational complex.

1.2 Criteria for the enlargement of the European Union

The basic criteria for the admission of a new Member of the European Union are enshrined in the article Nr. 49 of the Treaty on European Union (the so-called The Lisbon Treaty, which is valid from 1. December 2009). Under this Treaty, "any European State which respects the values referred to in the article 2 and a commitment to their promotion, may apply for the membership in the Union". These values are referred to in the article 2 respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of minorities.

Even if this article 49 speaks about European State, it is not in the founding treaties of the European Union, what the territorial scope is on the European continent means, or what the minimum part of State must be part of the European continent (e.g. Turkey, which is the current official candidate for membership in the European Union, is only three per cent of its territory in Europe.)

Even though the European integration is primarily linked to the European territory, is not based strictly on geographical jurisdiction. Today there are some non-European territories, which are incorporated into the European Union:

- Cyprus geographically belongs actually to the Middle East region, which is the part of Asia;
- French overseas departments are in different overseas territories: the largest is French Guyana in South America, the Caribbean islands of Guadeloupe and Martinique, and the island of Reunion in the Indian Ocean;
- likewise Spain has its own enclaves Ceuta and Melilla on the North African coast in Morocco.

It is given by these realities the geographic criterion for the integration into the European Union as such in itself cannot survive.

However, there are others, the more precisely criteria for entry, which was created at the meetings of the European Council in Copenhagen in 1993 (the three Copenhagen Criteria) and in Madrid (the Madrid Criterion):

- The criterion of political existence of stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- the economic criterion: the country must have a functioning market economy capable of withstanding the competition and market forces within the European Union;
- the criterion of acceptance of the *acquis communautaire* (which is used for the legal regulations of the European Union) and the obligations of membership, including adherence to the aims of political, economic and the Monetary Union

and the implementation of, i.e. in particular, the harmonization of domestic law with the law of the European;

- sufficient administrative and judicial structures for the implementation of all the obligations of membership.

Even these criteria are, however, subject of development, i.e. those countries, which are currently failing, for example from the economic point of view it may be, after the implementation of needed reforms, successfully realised. In addition, the Lisbon Treaty has already provided in that article 49 that "the criteria for accession, on which shall be agreed by the European Council, will be taken into account", i.e. member states may, by agreement, to formulate additional membership conditions. Formulated the initial conditions are not for the non-democratic States prone to violent resolution of disputes is too easy. But on the other hand, benefits from one of the degrees of integration with the European Union are not negligible and of such possibilities must be considered seriously.

1.3 The security of the European Union and abroad

A qualitative breakthrough in the process of the European integration would be the unification of foreign and security policy of the Member States, because these forms are the core of the sovereignty of States. From practice and from the text of the Lisbon Treaty shows that the foreign policy of the European Union remains a matter for consensus – therefore preserves the decision-making mechanism, which protects the interests of the European Union Member States more than the interests of the European Union. This means that the foreign policy of the European Union remains the common denominator policies of the Member States, which is uniform if there is a consensus, and if they are in the foreign policy of the individual Member States of the European Union some differences.

The neo-functional logic of the regional integration following the logic of the emergence of the European Union in the context of the ideas of neo-liberal institutionalism doesn't want to create a world-ruling by a one-shot act or a reform from above, but wants to create conditions for peace and the emergence of new political institutions successively through specialized international institutions. Unlike the federalist papers differ in the following points:

- statesmen and the professional diplomats are not the engine of changes, but technical experts who are specialists in the formation and change of international organisations, specialised on integration activities in certain narrow economic-social area,
- the full functioning of this specialised integration has resulted in the penetration of pressures integration in other areas, and the final result of the economic-social integration is the political integration,
- the integration into a new political unit is the regional integration; the issue is not about the creation of the world state, but about creating a local political player with the ultimate aim to create a federal state within the borders of the continent. [8]

It can be only added to the following points, that even if there is the point, as in other cases involving regions, particularly on the issue of the European Union, so all the theoretical background and practical knowledge are finally going towards the improvement of the functioning of the European Union. It can be possible with the minimum theoretical modifications to implement the issues of selected regions in Africa.

The enlargement of the European Union is possible in at least two fundamental planes: primarily for new regular members of the European Union and, as well, one of the other of the standard ways of integration than the membership in the European Union (see Tab. 1). The different types of integration are progressively extended or reduced according to the depth of integration.

The European Union is interested in further expansion and cooperation with other states in the classic combination of political, economic and social factors, which all together can provide a greater stability and security in the European region. With this strategy, a permanent stability and security related term *cordon sanitaire*. At the present time is the term used for the expression of the need in the vicinity of the territory of the European Union space that is at least politically neutral, if not just friendly. The motive for the surrounding states is the certain degree of integration with the European Union, if not directly the potential membership in the European Union. Its economic power of the European Union what is a major player and a very attractive partner for political and economic relations and its existence allows achieve some long-term stability within the region, as well as in its surroundings. So the European Union becomes a very valuable neighbour and it is necessary to count on it in the future.

Tab. 1: The Classification of Regional Integration

	Member states set lower tariffs on imports from one another member	Free trade is established between members states	There are free trade areas which operate a common external policy	There are customs unions within which capital and labour move freely	There are common markets except that fiscal and monetary policy which is dominated by a central authority
Preferential tariff areas	X				
Free trade areas	X	X			
Customs unions	X	X	X		
Common markets	X	X	X	X	
Economic and monetary	X	X	X	X	X

Source: [3]

Good relations, however, is to be developed from both sides. The European Union has a great opportunity, and the possibility of their surroundings ensure a system of mutually beneficial economic relations and treaties that will strengthen stability and security. This philosophy, the expansion of the European Union by means of differentiated integration, it is possible to create from surrounding states temporary

previously mentioned *cordon sanitaire*, that would allow to stabilize the nearest surroundings and with this strategy to continue expanding the geographical rings in graduated stages.

2 Methods

To highlight the differences between the EU States and the selected regions of the African Union (states of North African region and the states of the South African region) were used in the analysis of selected indicators of statistical data from World Bank Data Set. In the selection of statistical data was taken the criterion of consistency of these data. For this reason it was used for obtaining the data from individual national economies and the individual indicators of one database. Data consistency could not be ensured if we used more different databases within a single indicator. Different databases may use different methodologies of data collection, the use of different values of the variables. It may be individual database for the same year. The years represent the period of time for which they are all input data fully complete. Another requirement was that the indicators have available data at least the 10-year time series.

Individual indicators were for the states in three selected regions (the states of the EU, the states of the AU in north region and the south region). The Data for each region was recalculated by the diameter.

The average values of each examined indicators were determined in terms of a weighted average. That average was achieved through the following relationship, where:

GDP_i gross domestic product of region i ,

P_i total population of region i ,

$i = 1, 2, \dots, n$

values marked \cdot represent the sum of examined variables.

$$\frac{\sum_i GDP_i}{\sum_i P_i} = \sum_i \frac{P_i}{P_\cdot} \cdot \frac{GDP_i}{P_i} = \frac{\sum_i P_i \cdot \frac{GDP_i}{P_i}}{P_\cdot} \quad (1)$$

and because

$$\frac{\sum_i P_i}{P_\cdot} = 1 = wP_i, \quad (2)$$

it is possible to write down the previous relation as

$$\sum_i wP_i \cdot \frac{GDP_i}{P_i}. \quad (3)$$

3 Problem solving

The primary factor determining the EU's enlargement is its security. Other criteria (e. g. convergence criteria, etc.) are important indicators, which should be met, the most important is security view.

As an auxiliary criterion for the assessment of the security situation states was selected the Failed States Index (FSI) processed by the Fund for Peace. The selected states of Europe and the African Union are shown in Tab. 2, including values and order of states, which is referred by the FSI.

Only three European Union Countries had been got in the order of the countries listed in the Tab. 2 by the FSI. All of other countries in the Tab. 2 had been from AU.

These three EU countries, which had been in accordance with the evaluation of the EU from the worst-placed FSI (all of other EU countries are better assessed under this index) had been used as a benchmark for the position of the countries of the EU and the AU by the FSI.

Tab. 2: The Failed States Index overviewed regions

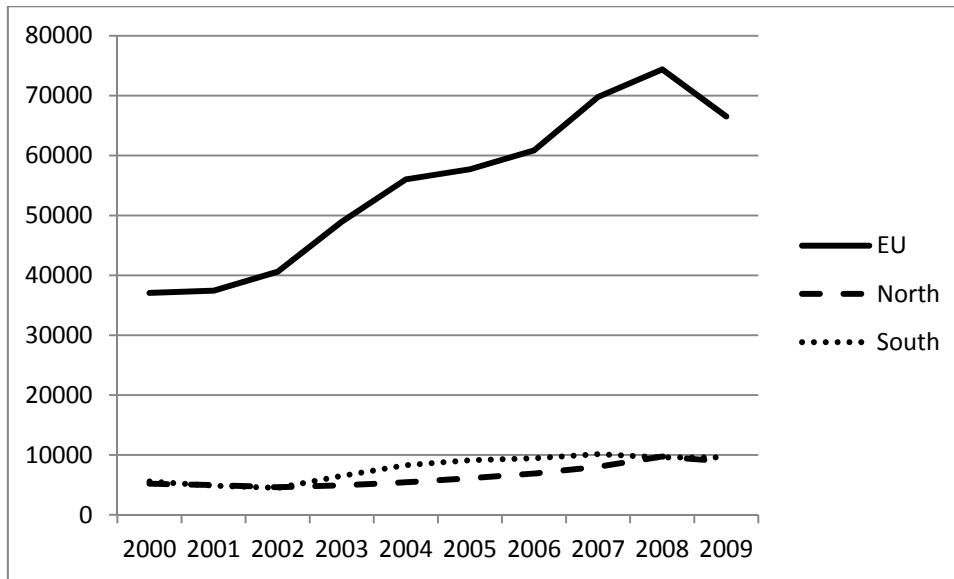
Country	Region	2009		Country	Region	2011	
		Score	Rank			Score	Rank
Egypt	North - AU	89	43	Egypt	North - AU	86,8	45
Swaziland	South - AU	82,4	65	Mozambique	South - AU	83,6	57
Lesotho	South - AU	81,8	67	Swaziland	South - AU	82,5	61
Mozambique	South - AU	80,7	72	Lesotho	South - AU	80,4	71
Algeria	North - AU	80,6	73	Algeria	North - AU	78	81
Morocco	North - AU	77,1	93	Morocco	North - AU	76,3	87
Namibia	South - AU	75,6	69	Namibia	South - AU	71,7	104
Libya	North - AU	69,4	112	Tunisia	North - AU	70,1	108
Cyprus	EU	68,9	114	Libya	North - AU	68,7	111
Botswana	South - AU	68,8	116	Botswana	South - AU	67,9	113
Tunisia	North - AU	67,6	121	Cyprus	EU	67,6	116
South Africa	South - AU	67,4	122	South Africa	South - AU	67,6	116
Bulgaria	EU	61,5	132	Romania	EU	59,8	126
Romania	EU	61,3	129	Bulgaria	EU	59	129

Source: Authors by [7]

It is an essential for a stable situation in each country to have economic indicators. The selection of the indicators has been derived from the main economic indicators, which are shown by the World Bank in its database (the World Bank Data Set). At the same time the selection was influenced by the availability of the selected data, which are especially on the African continent often incomplete. Moreover, the selection of separated data was examined only if they were continuously in the time series of ten years (or nine years because of missing data for the year 2010 yet).

The situation of each region is described by the following images. With the help of selected indicators, the data are displayed for the last ten (or nine) years. It was elected the gross domestic product as the first indicator for calculation on the labour force, which describes the labour productivity.

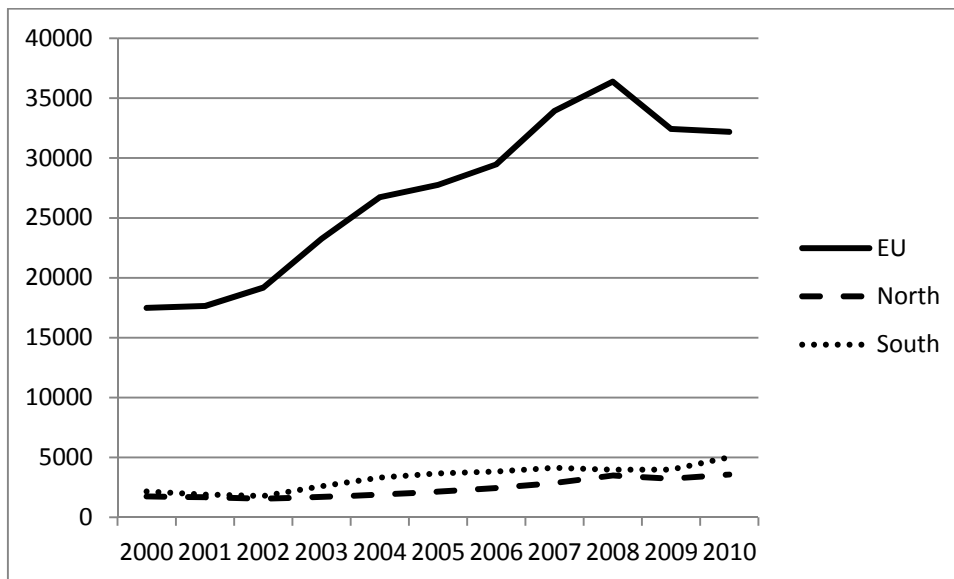
Fig. 1: Labour Productivity of regions (current USD)



Source: Authors by [11]

Another indicator was the gross domestic product, which was to ensure the comparability of the development trend of economic performance of differently big countries recalculated per capita.

Fig. 2: GDP per capita (current USD)



Source: Authors by [11]

The next indicator is the annual percentage rate of growth of the gross domestic product at market prices based on local currency. Gross domestic product is the sum of gross value added manufacturers in the domestic economy plus all taxes and minus any subsidies not included in the value of products

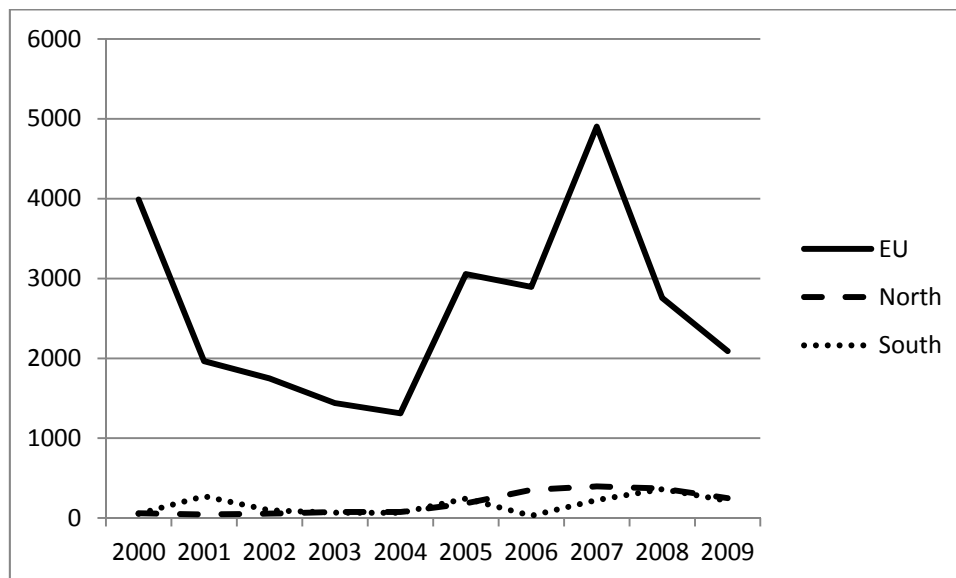
Fig. 3: Growth of the regions (annual %)



Source: Authors by [11]

Foreign direct investment with large tributaries is operating in the economy, which is required as a net inflow of investments, with a permanent participation in the management of the business operations in the economy rather than investment. This is the sum of equity capital, reinvestment of profits, other long-term capital, and short-term capital, as indicated in the balance of payments.

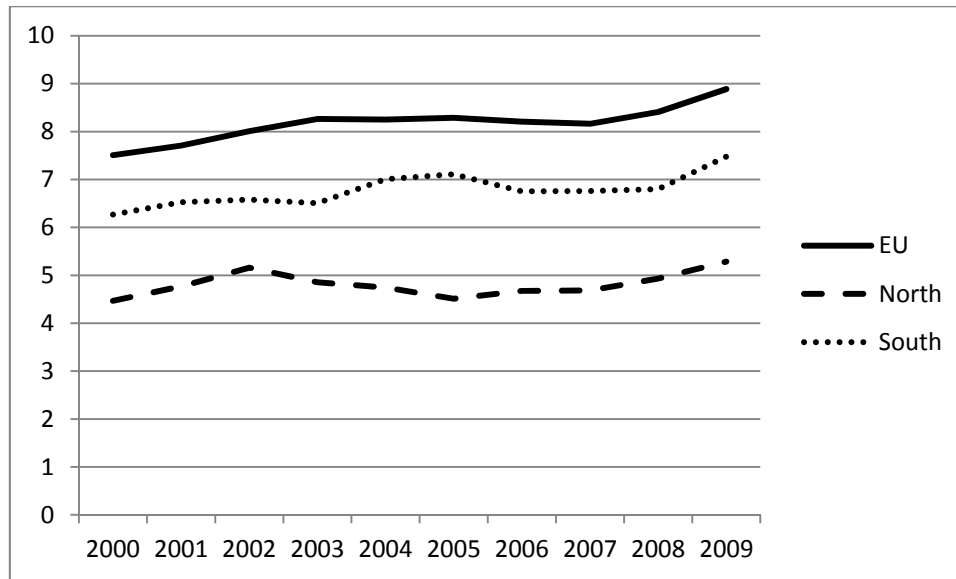
Fig. 4: FDI per labour forces (net inflow, in current USD)



Source: Authors by [11]

Health expenditure per capita is the share of the total health expenditure, which is the sum of public and private health expenditure, and the total population. This includes the provision of health services, family planning, nutrition, activities and emergency assistance for health.

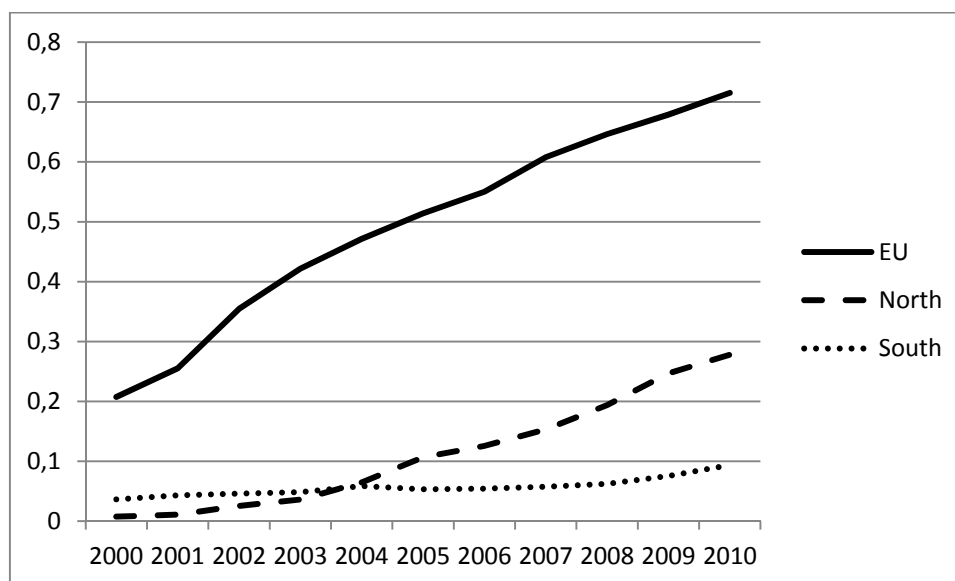
Fig. 5: Health expenditures (% of GDP)



Source: Authors by [11]

Internet users are people with access to the global network. This indicator is in the last time one of the often used. Although not a major indicator, its importance lies in the illustration of the current trends in communication through IT. In fact, it is one of the main accelerators in economic and social development.

Fig. 6: Internet users per capita



Source: Authors by [11]

4 Discussion

The first two of the examined indicators of the gross domestic product related to the work forces and to the population. They are essentially interchangeable and show a similar trend.

The economic growth in African countries is in a different position than it is in the situation in Europe. For the AU countries this indicator is the fundamental. From Figure 3, it is apparent that the economic growth of African countries is in certain aspects different from the situation of the countries of the EU. For instance, in 2009 the AU states were not so much affected by the worldwide by the ongoing financial crisis. This situation is essential for any EU decision on its further enlargement through a different degree of integration (see Table 1) with African countries. In particular, this fact could be positive for the integration of new countries into the EU.

From this analysis it is clear that the European Union is to qualitatively different from the countries North African and the South African region. Performance of European countries is at a much higher level. Nevertheless, African countries have the advantage in a much higher economic growth, which, moreover, is not susceptible to global negative trends in the economic area.

In the case of the AU, the indicator of foreign direct investments is at a lower level in comparison with the countries of the EU. From the chart, however, is the apparent significant volatility in the trend in investments on the continent. So, once again, shows a greater sensitivity of European countries on global development.

Of the indicators of social nature is a major indicator of health care expenditure. Shows how the country can take care of their populations. It is one of the toughest ones to funding from public budgets. The differences between the European and the African countries are less essential. Also the progress of curves is very similar.

In the case of indicators of the Internet users in the EU countries shows considerable dynamism in the use of information technology. This trend is trying to zoom in the North African country. Although it does not reach such a level as the EU countries, the trend of the picture is similar.

Conclusion

Although the further enlargement of the European Union in the future seems to be inevitable, it is not so clear from that analysis. It cannot be made unambiguous conclusion that on the basis of indicators of the processed in this analysis, it can be estimated for another direction of development in the enlargement of the EU.

We can suggest certain trends from the above analysis, but do not lead to the certain conclusions. The enlargement of the EU on the African continent would be possibly, however, it should not be taken only from the economic indicators which are not just about the economic power. For the estimation of countries is necessary to take into account the security criteria, which are related to economic performance, but in situation of the African countries is not the link explicit.

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