

## EDITORIAL COMMENTS

### *The Second Enlargement*

In presenting the Commission's programme for 1982 to the European Parliament in February of this year, the President, M. Gaston Thorn, declared that the present economic pressures are "... rousing the old demon of protectionism — the illusion that salvation lies in going it alone". He referred in his message to the interrelationships between the internal and external aspects of the economic ills that beset the Community and expose its weaknesses. Internally, the Community needs to take action to improve the coherence of its system, financially and economically. Externally, the need is for effective monetary co-operation, especially, in the short term, to halt and then reverse a deterioration of relationships with the United States. M. Thorn added that "... this restatement of European monetary identity has a double, symbolic value, since it affects both mutual solidarity and discipline".

Many of these problems have been the subject of articles and comments recently in the pages of this *Review*. The imbalance between spending on agriculture and on other policies in the Community's budget, and the assessment of the criteria for, and the quantification of, budgetary contributions, have, perhaps understandably in the present economic climate, attracted the widest attention; the malcontents in the United Kingdom, to whom reference was made in recent Editorial Comments<sup>1</sup>, still focus their criticisms upon the distant prospects for a reform of the CAP. Elsewhere the crucial debate over the second phase of the European Monetary System — and the participation of Britain in it — continues against the sombre background of a continuing economic recession, with unemployment in the Community reaching the unprecedented total of 10.25 million, with an increase of some 28% in one year.

Nevertheless, even in this unfavourable atmosphere, negotiations are proceeding, slowly and irrevocably, towards the completion of the second enlargement and the accession of Spain and Portugal, provisionally set for 1984. Negotiations were formally opened with Portugal in Luxembourg on 17 October, 1978, and with Spain in Brussels on 5 February, 1979. The Community has afforded substantial assistance to both countries, notably by way of financing through the European Investment Bank to help regional development, to improve transport and communication links with the Ten, and to assist medium and smaller businesses, which will help in the process of adaptation. The sectoral problems, particularly those concerning Spain with respect to steel, fisheries, and textiles and footwear, will require patient unravelling. A delicate balance will have to be struck in order to avoid adverse effects upon the cohesion of the Community resulting from the new economic disparities introduced by enlargement. Greece has already provided

1. Editorial Comments, *Labour's Love's Lost*, 18 C.M.L.Rev. 443.

a model for problems of this kind, so will Portugal.

It is clear that an eventual Community of the Twelve will constitute, as the former President of the Commission, Mr Jenkins, predicted in a speech in October, 1977, "... a gathering in of European civilisation ... it will give the Community its proper European dimension". It will also mark a significant shift in the centre of gravity of the Community and will concentrate attention upon the rôle the Community of the future will have to play in the Mediterranean basin. The "overall approach" to this area adopted by the Community in 1972 and now supported by a complex, but fragmented, network of co-operation and association agreements is in need of a searching re-examination and re-appraisal. The eight southern Mediterranean countries (Algeria, Morocco, Tunisia, Egypt, Syria, Lebanon, Jordan and Israel) linked to the Community in this way are watching the progress of the enlargement negotiations with concern. The loss of European markets for a number of their agricultural exports; the likely competition that developing industrial sectors in these countries will have to face from Portuguese and Spanish (as well as Greek) industry; the probable adverse effect on workers wishing to migrate to the Community from the three Maghreb countries; these are amongst the problem areas. Enlargement will also inevitably cause repercussions affecting the Community's relationships with Turkey and with Yugoslavia.

The risks attached to the enlargement process are not only those connected with what the Commission, in its 1978 "Fresco"<sup>2</sup>, called "the internal momentum". The "external momentum" must also receive encouragement and support. M. Natali, the Vice-President of the Commission with responsibility for overall Mediterranean policy and enlargement, has recently declared that the Commission intends to bring unity and consistency to the development of the Community's relations between the enlarged Community and the remaining Mediterranean countries. An important step towards that objective must lie in a revival of the Euro-Arab dialogue. The countries of the Arab League, made up of twenty-two independent Arab States between the Gulf and the Atlantic, comprise together the most significant trading partners of the Community. The Euro-Arab Dialogue was launched in 1974 in response to the energy crisis and in the context of the immediate aftermath of the October War. The Dialogue was relaunched in November, 1980, and its meaningful pursuance during the closing stages of enlargement negotiations – and after enlargement – will require the Community to adopt a global response to Arab objectives and aspirations. The progress of the work of the General Committee, the highest level of discussion within the framework of the Dialogue, between 1976 and 1980 demonstrates that the economic, technical and social objectives are inextricably interlinked with the identification of the Community's role in North/South relationships and with the peaceful resolution of the Middle East crisis<sup>3</sup>. The second enlarge-

2. Enlargement of the Community – Economic and Sectoral Aspects. Supplement 3/78. Bull. EC p. 46, para. 102.

3. See the comments of M. Cheysson in *L'Actuel*, Vol. 2, No. 2, 1977.

ment provides the Community with a very great opportunity to demonstrate a common political and economic purpose that will profoundly affect the future evolution of the whole geopolitical arena of the Mediterranean.