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Association Agreements Between the EC and Central and Eastern European States

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Helen E. HARTNELL **Association Agreements
between the EC and Central
and Eastern European States**

I. Introduction

The second half of the 1980s was an extraordinarily hopeful time for the people of Western, Central and Eastern Europe. Waves of euphoria swept the continent as the European Community (EC) rushed headlong to complete its internal market by the end of 1992, and as the countries of the former Soviet bloc one by one cast aside the Iron Curtain that had enshrouded them for decades. Everyone stretched out his arms to embrace the other, and the strong helped the weak, no questions asked. It was a rare period of virtually unconditional brotherly love. It could not last.

It did not. The tide began to turn in the early 1990s, as the bloom faded from the EC rose, as Yugoslavia fell apart, as the enormity of the task of transforming the Central and East European economies became apparent, and, not coincidentally, as the global recession deepened. No one but the most hardened Eurocynic, however, would have predicted the severity of the EC's reversal of fortune and the accompanying shift in attitudes.

At the close of the celebrated 1992, the European Community was in a state of political and economic disarray. EC self-doubt—unleashed by the Maastricht debacle, by its inadequate response to the civil war in former Yugoslavia, and by recession and intractable disputes with its trading partners—rendered the Community a less dashing knight to the distressed reform economies in Central and Eastern Europe. Yet these countries continued to wait for some kind of miraculous rescue.

To be fair, the countries of Central and Eastern Europe have good cause to be impatient for marked improvement in their economic situation, since they reasonably fear

the political instability that lurks just around the bend. And to its credit, the EC has stayed a steady course with its ardent neighbours, even while rocked by ongoing internal crises. The Community has moved steadily to assist the transformation by providing funds¹ and expertise, and also to extend the privileges and responsibilities of integration to ever more European countries through a network of bilateral association agreements.²

Association agreements that establish increased trade, dialogue and cooperation between the EC and the countries of Central and Eastern Europe have proliferated in recent years. Yet still the relationship between the EC and countries in this region has been characterized by a significant degree of mutual misunderstanding and dissatisfaction. On one side, the high expectations of the Central and East European countries are reflected in their equally high disappointment levels *vis-à-vis* the EC. And on the other side, one senses that the EC grows weary of what it perceives as complaints and ingratitude.

Against this background, I propose to examine two related issues. First, I will describe the nature and assess, the strengths and weaknesses of the association agreements themselves. And second, I will examine some recent developments in the relations between the EC and the countries of Central and Eastern Europe, notably the Memorandum submitted by the Visegrad Group of countries³ to the EC in October 1992, and the EC's response to the demands raised therein, in order to assess the current state of relations.

II. The Association Agreements

In December 1991, the EC concluded bilateral association agreements with the countries comprising the Visegrad Group, viz. Czechoslovakia, Hungary and Poland. These treaties, which were entitled "Europe Agreements" in order to distinguish them from previous forms of association,⁴ establish a framework for political and economic integration over a ten-year term. Often referred to as "Second Generation" agreements to further distinguish them from earlier trade and cooperation (or so-called "First

1 Funds have been made available directly to countries in the region through the PHARE (Poland/Hungary: Assistance for Restructuring of the Economy) and TACIS (Technical Assistance to the Commonwealth of Independent States) programs. See also Proposal for a Commission Decision granting a Community guarantee to the European Investment Bank against losses under loans for projects in Central and East European countries (Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Bulgaria, Latvia, Estonia, Lithuania and Albania), COM(93) 212 final, OJ 1993 C 160/8.

2 Article 238 of the Treaty of Rome provides that association agreements "involving reciprocal rights and obligations, common action and special procedures ... shall be concluded by the Council, acting unanimously and after receiving the assent of the European Parliament which shall act by an absolute majority of its component members".

3 Hungary, Poland, the Czech Republic and the Slovak Republic (then Czechoslovakia) began to coordinate their positions in 1991 during their respective negotiations with the EC on the conclusion of bilateral association agreements.

4 See Communication from the Commission to the Council on Association Agreements with the Countries of Central and East Europe: General Framework, COM(90) final 398 (27 August 1990).

Generation") agreements, the Europe Agreements represent a giant step on the long road toward integration, which actually began decades before the recent democratic revolutions. Each of the first three Europe Agreements in fact replaced an earlier bilateral First Generation trade and cooperation agreement, which in turn had replaced even earlier trading arrangements between the EC and the Visegrad countries. The same is true for the Europe Agreements that the EC concluded with Romania and with Bulgaria in late 1992.

In addition to the Europe Agreements, the EC is expanding its network of trade normalization agreements with other countries in the region. For example, the EC has recently concluded First Generation trade and cooperation agreements with Albania⁵ and Slovenia.⁶ One unique feature of these agreements is that they contain a clause expressly requiring regard for democratic principles and human rights.⁷ Similar agreements were concluded with Estonia, Latvia and Lithuania early in 1992.⁸ Relations with some members of the Commonwealth of Independent states are evolving as well. For example, negotiations with Russia and Ukraine for a new, intermediate type of "partnership and cooperation" agreement⁹ were recently resumed, after having been stalled by controversy.¹⁰ Talks have also begun with Belarus, Kazakstan and Kirghizstan. The Commission views (1) Are the following: the First Generation agreements as an interim step, and has stated that Europe Agreements should progressively be concluded with all eligible Central and East European countries.¹¹

The key difference between the First and Second Generation agreements lies in the nature of trade they envisage. The First Generation trade and cooperation agreements only

5 Agreement between the EEC and Albania on trade and commercial and economic cooperation, OJ 1992 L 343/2, implemented by Council Decision 92/535 of 26 October 1992 OJ 1992 L 343/1.

6 Cooperation Agreement between the EEC and the Republic of Slovenia, signed 5 April 1993 and implemented by Council Decision 93/407/EEC of 19 July 1993 OJ 1993 L 189/1 (effective 1 September 1993), plus protocol on financial cooperation and agreement in the field of transport.

7 Similar provisions appear in the Europe Agreements with Romania and Bulgaria, as well as in the renegotiated agreements with the Czech and Slovak Republics, but do not appear in the earlier Europe Agreements with Hungary and Poland.

8 The Baltic States concluded a free trade area among themselves on 13 September 1993 for the purpose of facilitating faster integration into the EC.

9 These agreements will have a wider scope than traditional First Generation agreements and will cover an extensive range of trade, economic, and political relations over a ten-year term.

10 Russian has objected to the clause permitting the EC to suspend benefits in case of human rights violation and has demanded that the agreement contain an "evolution" or "future events" clause permitting the agreement to be converted to a free trade agreement when circumstances warrant. See *Agence Europe*, Nr. 5993, p. 9 (4 June 1993). Ukraine has insisted that it receive the same treatment as Russia.

11 Commission "Guidelines on the Future of Relations between the EC and Central and Eastern Europe" (December 1992), reprinted in *Agence Europe Documents*, Nr. 1814, p. 2 (9 December 1992) (hereinafter Commission Guidelines). The Copenhagen European Council (June 1993) invited the Commission to submit proposals for developing the EC's existing trade agreements with the Baltic States into free trade agreements, and to conclude Europe Agreements with these countries as soon as the necessary conditions have been met. Conclusions of the Presidency, Copenhagen European Summit, reprinted in *Agence Europe Documents*, Nr. 1844/45, Art. 7 (B), p. 6 (24 June 1993).

purport to normalize trade relations by providing most-favoured-nation treatment and by progressively removing quantitative restrictions. The Europe Agreements, on the other hand, aim to establish a free trade area by the end of the ten-year term, at least with respect to certain products. This means that the Europe Agreements provide preferential access to the EC market for products originating in the territory of the Associated country. Even more important, the Europe Agreements are based on the principle of asymmetric trade liberalization, which means that the EC must open up its market to products from the associated countries quicker than those countries must open their markets to products originating in the EC.

However, it is not just the nature of the trade envisaged that differentiates the Europe Agreements from the more primitive First Generation agreements. Although both types of agreement call for certain forms of cooperation and contain an institutional component, the Europe Agreements go much further than the simple trade and co-operation agreements. In addition to their more extensive cooperation and institutional components, the Europe Agreements contain innovative provisions calling for high-level political dialogue (to include matters of foreign policy and defence); for progressive liberalization of the movement of persons, services and capital; and for gradual approximation of laws by the associated country. These provisions show that association under the Europe Agreements is meant to serve as a training ground for full EC membership, in addition to fostering economic development through the establishment of a free trade area.

Unfortunately, the Europe Agreements have proven to be somewhat less than they appear. The first major problem is that they have not yet entered into force, since some EC Member States have failed to complete the ratification process.¹² Fortunately, major portions of the Europe Agreements fall within exclusive EC competence in the field of commercial policy, and thus can be implemented by a decision of the competent EC organ.¹³ Still, failure to implement the Europe Agreements in their entirety means that many of their significant innovations have not yet been put into practice. The associated countries are especially looking forward to receiving the extensive economic, cultural and financial cooperation that the EC has promised.

12 The Europe Agreements with the Visegrád countries were supposed to enter into effect on 1 January 1993. However, the agreement between the EC and the Czech and Slovak Federal Republic had to be renegotiated following that country's split-up on 1 January 1993. The renegotiated agreements between the EC and the Czech and the Slovak Republics, respectively, were initialled on 23 June 1993.

13 Interim Agreements to implement the trade and trade-related parts of the Europe Agreements with Czechoslovakia, Hungary and Poland entered into effect on 1 March 1992 and were renewed for an indefinite period on 31 December 1992. See OJ 1992 L 114 (Poland); OJ 1992 L 115 (Czechoslovakia); and OJ 1992 L 116 (Hungary). The Interim Agreement with Romania was implemented by Council Decision 93/186/EEC of 8 March 1993, OJ 1993 L 81. The Interim Agreement with Bulgaria was delayed by controversy which was reportedly resolved in July 1993. However, no Interim Agreement between the EC and Bulgaria has been implemented as of this date.

A second set of problems, less easily solved than the foregoing, stems from the protectionism that is built into the agreements. First, even the most far-reaching Europe Agreement grants only limited access to those sensitive sectors of the EC market, such as agriculture, steel and textiles, in which the Central and East European countries are likely to have a comparative advantage. Secondly, the association agreements permit both parties to invoke safeguard and other trade protection measures against products originating in the other party's territory.¹⁴ The EC has already made use of these various opportunities—much to the dismay of the associated countries—for example by invoking protective measures to stop the spread of hoof and mouth disease; by imposing antidumping duties, such as on imports of seamless pipes & tubes of iron or non-alloy steel coming from *inter alia* Hungary and Poland;¹⁵ and by invoking safeguard measures to reimpose quotas on steel from the Czech and Slovak Republics.¹⁶ Finally, it has been observed that the Europe Agreements have in fact resulted in an increase in the EC's trade surplus with the associated countries, despite the asymmetric structure that was intended to favour exports from the associated countries to the EC.¹⁷

Third problem is the lack of aspirational mutuality between the parties to the various Europe Agreements. Each of these association agreements recognizes that full EC membership is the ultimate goal of each associated country, but make neither accession—nor even the commencement of accession negotiations—automatic at the end of the ten-year transition period. The Europe Agreements nowhere state that eventual accession is the EC's goal as well. The Visegrad countries noticed that their yearning for ever closer union was unrequited by the EC, and began to doubt the sincerity of Community's intentions.

Although some might argue that the associated countries are hardly in a position to bargain, the vanguard Visegrad countries have not hesitated to press their claims with the EC. It is nothing less than remarkable that they have been as successful as they have in the past year, both in gaining the troubled Community's ear, and in eliciting further concessions.

¹⁴ Under the Europe Agreements, the associated countries may take "exceptional measures of limited duration" in order to protect "infant industries or certain sectors undergoing restructuring or facing serious difficulties".

¹⁵ See Council Regulation 1189/93 of 14 May 1993, OJ 1993 L 120/34.

¹⁶ Decision No. 1/93 of the EC-Czech Republic and Slovak Republic Joint Committee of 28 May 1993, OJ 1993 L 157/59; Commission Decision 1970/93/ECSC of 19 July 1993 opening and providing for the administration of tariff quotas in respect of certain ECSC products originating in the Czech Republic and the Slovak Republic imported into the Community (1 June 1993 to 31 December 1995), OJ 1993 L 180/10.

¹⁷ Polish Prime Minister Hanna Suchocka wrote a letter to the EC Heads of Government and to Commission President Jacques Delors in which she stated: "Our expectations have not been fulfilled. Today we are witnessing a sizeable trade deficit with the Community, in excess of one-eighth of all our exports to the EC. That deficit points to inequality that contradicts what was intended by the Agreement ...[and] clearly indicates that the Community is the main beneficiary of the Europe Agreement". Agence Europe, Nr. 5995, p. 9 (4 June 1993) (hereinafter Suchocka Letter).

III. Recent Developments in the Relations between the EC and the Associated Central and Eastern European States

The EC and the associated countries agreed in principle that the framework established by the Europe Agreements must be fully exploited and even extended in order to further the process of transformation and integration.¹⁸ They have differed, over how to achieve this shared goal.

The Visegrad countries stated their position in a joint memorandum "on strengthening their integration with the European Communities and on the perspective of accession", which they submitted to the Commission and the Presidency in September 1992. In the 1992 Visegrad Memorandum, the associated countries asked the EC to establish specific criteria and a timetable for accession.¹⁹ In addition, they issued the call to "speed up the process" by strengthening political and financial cooperation, as well as by accelerating economic integration. The Commission responded by issuing "Guidelines on the Future of Relations between the EC and Central and Eastern Europe" in December 1992.²⁰ In anticipation of the meeting of the European Council on 21-22 June 1993 in Copenhagen, the Visegrad countries submitted a second joint memorandum in which they expressed their overall (but not complete) support for the Commission's position, and emphasized the importance which they attached to the outcome of that meeting.²¹

The Copenhagen Summit represents a milestone for those Central and East European countries that already have concluded or may in future conclude Europe Agreements with the EC. Among the many significant conclusions of that European Council, I wish to emphasize four: conclusions concerning accession; political cooperation; trade liberalization; and other forms of cooperation.

A. Accession

The Treaty of Rome provides that any European State may apply to become a member of the Community.²² The Commission elaborated three criteria to determine the eligi-

18 Joint Statement of EC and Visegrad Foreign Ministers (5 October 1992 Luxembourg Summit), EC Bull. 10-1992, § 2. 3. 1., point 5 (agreeing that cooperation under the Europe Agreements should focus on "consolidating and extending progress"); "Europe and the Challenge of Enlargement", EC Bull. Supplement 3/92, p. 18 (hereinafter commission Enlargement Report).

19 In particular, they expressed their wish to join the Union "at the latest at the end of this century", and requested that formal negotiations on full membership start in 1996, more or less simultaneously with the mid-term review called for under the Europe Agreements.

20 These Commission Guidelines, *supra* note 11, were debated and subsequently approved (with some modifications) by the General Affairs Council that met in Luxembourg in early June 1993.

21 The Suchocka Letter, *supra* note 17, called for the European Council to give a clear political message confirming the Community's will to see Poland and the other associated countries as future members of the European Union; to accelerate and improve access of Polish products to the Community market; and to increase EC aid and make it available for economic and investment (rather than just technical) purposes.

22 Article 237. Article O of the Treaty on European Union provides the same with respect to membership in the Union.

bility of a country that applies for membership: European identity, democratic status, and respect for human rights.²³ These principles are broadly reflected in the preamble of the Europe Agreements.²⁴

The Copenhagen Summit Conclusions did not only state more particularly formulated criteria for membership, but also established the "objectives of membership" and affirmed that "the associated countries in Central and Eastern Europe that so desire shall become members of the European Union".²⁵ By this step, the unilateral wish of the associated countries to join the EC becomes a shared goal. Although no specific date has been laid down for the commencement of accession negotiations, as was urged in the 1992 in the Visegrad Memorandum, the Copenhagen Summit Conclusions provided that, the accession can take place as soon as the associated country is "able to assume the obligations of membership by satisfying the economic and political conditions required".

The eligibility criteria enunciated in Copenhagen are virtually identical to those first proposed in the Commission Guidelines²⁶ in December 1992. First, the associated country must achieve "stability of institutions guaranteeing democracy, the rule of law, human rights and respect for protection of minorities". Second, the associated country must have a "functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union". Finally, the associated country must be capable of taking on the obligations of membership (i.e. the *acquis communautaire*) and must adhere to the aims of political, economic and monetary union.

These Copenhagen Summit Conclusions on accession are welcome, not least because they can themselves contribute towards achieving the goals they establish by encouraging further democratic reforms and foreign investment. Yet reasonable grounds for dissatisfaction still remain. First, the Copenhagen Summit Conclusions undercut the value of the accession provisions by reminding the associated countries that accession will ultimately hinge on the "Union's capacity to absorb new members, while maintaining the momentum of European integration". Thus, the EC still views relations with Central and Eastern Europe as a subissue in its debate over deepening versus widening the Community. Secondly, the community has failed to provide a timetable for evaluating the associated countries' progress in fulfilling the enunciated criteria. The Central and East European countries hope that this process will begin during the mid-term review called

23 Commission Enlargement Report, *supra* note 18. In particular, the Commission emphasized the applicant's "acceptance of the Community system, and its capacity to implement it" (which "presupposes a functioning and competitive market economy, and an adequate legal and administrative framework in the public and private sector"), as well as the applicant's acceptance and ability to implement "the common foreign and security policy as it evolves over the coming years".

24 For example, the preamble to the Hungarian Europe Agreement states that the "basis for association" is Hungary's "commitment to pluralist democracy based on rule of law, human rights and fundamental freedoms, [to] a multiparty system involving free and democratic elections, to the principles of a market economy and to social justice".

25 Copenhagen European Council, Conclusions of the Presidency, *reprinted in Agence Europe Documents*, Nr. 1844/45, art. 7. (A) (iii), p. 5 (24 June 1993).

26 *Supra* note 11.

for in each of the Europe Agreements, but it is by no means assured. Finally, the accession criteria do little more than restate the obvious, and provide little concrete guidance. Yet it is hardly realistic to expect the EC to tie itself to particular criteria at a time when the entire nature of the Community is changing.

B. Political Cooperation

Central and East European countries have expressed a strong desire to participate fully in the formulation of the future architecture of Europe. Both the EC and the Visegrad countries readily agree on the need to deepen the political dialogue established under the Europe Agreements.²⁷ While substantial agreement prevails at this level of generalities, traces of disharmony emerge upon closer examination. There are two primary sources of tension.

The first problem in the area of political cooperation concerns the nature of cooperation contemplated. The 1992 Visegrad Memorandum expressly sought "gradual incorporation ... into the political cooperation of the European Communities, especially via direct linking to the Common Foreign and Security Policy as of January 1, 1993". This has not happened. Instead, the Copenhagen European Council proposed that the associated countries enter into a "structured relationship with the Institutions of the Union" concerning "dialogue and concertation [sic] on a broad range of topics and in several fora".²⁸ This purely advisory discussion framework will encompass diverse matters of common interest, including areas of Community policy,²⁹ common foreign and security policy, and home and judicial affairs. It provides for regular meetings at various levels of government, with enlarged Council meetings as the primary forum for discussion.³⁰

The "structured relationship" for political cooperation appears to be derived from the Commission's earlier proposal to create a "European Political Area" as a means of extending the basis of political cooperation beyond the Europe Agreements, but without

²⁷ The Europe Agreements call for regular political dialogue to consider issues arising under the association agreements themselves, as well as any other bilateral or international issues of mutual interest. The institutional framework will be composed of an Association Council, an Association Committee, and an Association Parliamentary Committee.

²⁸ Copenhagen European Council, Conclusions of the Presidency, *Agence Europe Documents*, Nr. 1844/45, art. 7(A) (iv), pp. 5-6 (24 June 1993).

²⁹ Particularly those with a trans-European dimension, such as energy, environment, transport, science and technology.

³⁰ For example, the Copenhagen Summit Conclusions call for one Troika meeting at the level of Foreign Ministers and one at the level of political directors during each Presidency; a briefing at secretariat level after each General Affairs Council and each meeting of the political directors; one Troika meeting at Working Group level per Presidency for relevant Working Groups; and regular Troika consultations with the United Nations General Assembly and the Conference for Security and Cooperation in Europe. Copenhagen European Council, Conclusions of the Presidency, *Agence Europe Documents*, Nr. 1844/45, annex II, p. 11 (24 June 1993).

interfering with "the Community's own autonomous development".³¹ The 1992 Visegrad Memorandum responded cautiously to this proposal, since the associated countries feared it would be viewed by the EC as a substitute for full membership. In the wake of the Copenhagen European Council's adoption of the objective of membership, this fear has been succeeded by cautious optimism about the new framework for political cooperation, even though it grants less than the associated countries had hoped for.

The second problem in the area of political cooperation concerns the multilateral framework proposed by the EC. Although the Europe Agreements themselves are bilateral, the "structured relationship" for political cooperation is designed to include all the associated Central and East European countries.³² The EC has repeatedly emphasized that such dialogue should be carried out on a multilateral basis. In addition, the EC has urged the associated countries (in particular, the Visegrad countries) to pursue regional cooperation. This is a very sensitive issue. The Visegrad countries have undertaken to coordinate a number of activities, including their economic relations,³³ their relations with other European institutions, and their security policies. However, there are serious tensions within the Visegrad group today, which raise doubts about the strength of these countries' desire to continue cooperating within this framework.

Aside from the regional tensions themselves, the Central and East European countries are suspicious of the EC's multilateral leanings. In particular, they fear the creation of a "Europe bis" in this region, a "new division in Europe, the creation of a zone protecting the Community from the the insecurity coming from the East, and that this Europe-bis [might] become something permanent as was the case of the past European historical developments".³⁴ The vanguard Visegrad countries have been especially disturbed to realize that the EC increasingly sees and prefers to deal with Central and Eastern Europe as an amorphous whole. The result is misunderstanding on both sides, despite the best intentions.

Although I would criticize the EC Member States for failing to ratify the Europe Agreements concluded nearly two years ago with the Visegrad countries, I believe that the multilateral approach is a sensible, if not an essential approach to the reorientation of Europe. Even under optimal economic circumstances, the EC could hardly provide a complete substitute for trade and political dialogue with neighbouring Central and East

31 Commission Guidelines, *supra* note 11, at p. 6. See also Commission Enlargement Report, *supra* note 18, at p. 18.

32 Thus, the 21 September 1993 meeting between the EC Troika and the Foreign Ministers of the associated Central and East European countries was attended by representatives of all six countries that have concluded Europe Agreements with the EC to date (i.e. Bulgaria, the Czech Republic, Hungary, Poland, Romania, and the Slovak Republic).

33 For example, they concluded the Central European Free Trade Agreement (CEFTA), which purports to create equal conditions to those between the EC and the Visegrad countries. The CEFTA entered into force on 1 March 1993.

34 *Agence Europe: Together in Europe*, Nr. 9, p. 2 (15 May 92).

European countries. In addition, regional cooperation is likely to be a key to the political and economic stability that is prerequisite to full membership. It should console the Central and East European countries to know that the currently ongoing accession negotiations with Austria, Finland, Norway and Sweden "will, to the extent possible, be conducted in parallel, while dealing with each candidate on its own merit".³⁵

C. Trade Liberalization

It can come as no surprise that the 1992 Visegrad Memorandum urged the EC to accelerate the economic integration foreseen by the Europe Agreements, emphasizing that "[o]pening markets to our products remains ... the most important and efficient way of assisting our countries". In particular, the Visegrad countries requested further asymmetrical trade concessions in all sectors, including the sensitive ones, as permitted by the agreements themselves. The December 1992 Commission Guidelines echoed their call for increasing the pace of liberalization and removal of obstacles to trade in the sensitive sectors.

In recognition of the crucial importance of trade in the transition to a market economy, the Copenhagen European Council agreed to accelerate the trade liberalization under the Europe Agreements. The Commission quickly prepared the different legal instruments to implement the trade concessions decided in principle in Copenhagen, and negotiated protocols to the Europe Agreements. The Council approved them and made them effective from 1 July 1993.³⁶ In essence, the effects of these changes are to accelerate the suppression of customs duties on sensitive industrial products and the increases in quotas and ceilings; to suppress duties on textile and steel products earlier than originally provided; and to accelerate reduction of levies or duties and to increase quotas in the agricultural sector.

Considering the difficult economic situation in the EC at this time, it is remarkable that any concessions have been obtained. It remains to be seen whether the associated countries will be satisfied with these improvements. It should be noted, however, that the Copenhagen European Council did not attempt to fashion any solution for the problems stemming from the EC's increasing use of trade protection measures against imports from Central and Eastern Europe.

35 Copenhagen European Council, Conclusions of the Presidency, *Agence Europe Documents*, Nr. 1844/45, art. 4, p. 4 (24 June 1993).

36 Council Decision 93/421/EEC of 19 July 1993 on the provisional application of the Additional Protocols to the Interim Agreements on trade and trade-related matters between the EEC and the ECSC, of the one part, and certain third countries, of the other part, and to the Europe Agreements between the EC and their Member States and the same countries, OJ 1993 L 195/42; Council Regulations 2232-2235/93/EEC of 5 August 1993, OJ 1993 L 200.

D. Financial and Other Forms of Cooperation

Another area in which the Visegrad countries have sought further commitments from the EC is in regard to financial cooperation. The 1992 Visegrad Memorandum sought a substantial increase in aid and proposed that the EC's emphasis should shift from "more traditional technical assistance to greater support for investment". Aside from ongoing reforms of the PHARE and TACIS programs themselves, the Copenhagen European Council agreed to make further commitments in this field so that the assistance granted would be more effective. In particular, the EC will offer technical assistance to prepare and facilitate infrastructure improvements, as a complement to the decision made at the Edinburgh Summit to support the development of infrastructure networks.³⁷

In addition to financial cooperation, the Copenhagen European Council addressed itself to two other forms of cooperation designed to further economic integration. First, the Copenhagen European Council invited the commission to make proposals before the end of 1993 to open up Communist programs to Central and East European countries, as foreseen in the Europe Agreements, and instructed the Commission to take as its point of departure those programs which are already open for participation by the EFTA countries.³⁸ Second, the Copenhagen European Council agreed to assist the associated countries in fulfilling their obligations to approximate their legislation to that of the EC. A task force will be established for this purpose, and training will be provided to officials from the associated countries.³⁹

IV. Conclusion

The result of the Copenhagen European Summit has been well received, at least in Hungary. If the EC Member States complete the ratification process and thus cause the Europe Agreements to enter into effect, then I predict a period of relative harmony during which the associated countries get on with the business of transformation and approximation. Hungary for one will be consumed during the coming months with next year's election. Since there is a high degree of consensus here on the desirability of integration with the EC, the Europe Agreement is not likely to be a source of controversy during the campaign.

³⁷ The leading role in this context will be taken by the European Investment Bank, the European Bank for Reconstruction and Development and other international financial institutions, rather than the EC itself. Copenhagen European Council, Conclusions of the Presidency, *Agence Europe Documents*, Nr. 1844/45, annex II, point (iii) p. 12 (24 June 1993).

³⁸ Copenhagen European Council, Conclusions of the Presidency, *Agence Europe Documents*, Nr. 1844/45, art. 7(A) (iv), p. 6 (24 June 1993).

³⁹ Copenhagen European Council, Conclusions of the Presidency, *Agence Europe Documents*, Nr. 1844/45, art. 7(A) (iv), p. 6, and annex ii, point (iv), pp. 12-13 (24 June 1993).

The prevailing attitude, at least in Hungary, accepts that the relations with the EC are like a marriage after the honeymoon is over. Jean Monnet has been quoted as saying that close association means a destiny henceforth shared. It is a time for the associated countries to formulate strategic plans for developing this close association, and to get on with the work.