

The Impact of Eastern Enlargement of EU on the EU's Crisis

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Abstract

The European Union (EU) has been facing various crises in recent years, and potential causes of the EU's crises remains elusive. In this article, it is mainly discussed that the impact of the eastward expansion on EU development and the EU crises in recent years. In addition, I also analyze the economic development, the huge challenges facing the EU-the refugee crisis, and the unity of thought in different political systems in recent years by comparing the economic and political changes before and after joining the European Union. My study indicates that the eastern enlargement of EU has impacted the EU development more positively overall though it contributed to the EU's crises to some extent.

Introduction

The European Union has been facing a growing number of crises in recent years, from its previous consolidated economic crisis to refugee crisis. In the light of the recent development of the European countries, a question is raised: "Has the crisis of the European Union been affected by the Eastern European countries in recent years?", in my opinion it is undeniable that the accession of the Eastern European States has a positive impact on the development of the European Union. Then, what's the impact of the European Union's accession to the EU's crisis?

Results

I have read 'Enlargement and the European Union's Absorption Capacity: 'oft-forgotten' condition or additional obstacle to membership?', 'Neither existing nor emerging: euro stabilization by means of European wage coordination' (1, 2). Southern Europe and the Eurozone Crisis Negotiations: Preference Formation and Contested Issues (3). EU ENLARGEMENT, 1989–2009 Germany and the EU-Eastern Enlargement (4,5).

As Economic

In both the United States and the euro area, the debt/GDP ratios declined in the late 1990s, and it had returned to mid-1990s levels by 2007. The debt/GDP ratios then climbed during the crisis, growing more quickly in the United States than in the euro area (6). The economic crisis hidden behind the EU has not appeared in the public in recent years. The debt problems in Italy and Greece become the biggest economic problems faced by the EU. The Greek debt crisis is a problem that has affected the EU for many years. It has also had an insignificant impact on the stability of the EU. The debt crisis is not a problem that will arise in individual countries, and Germany, France, Italy and Spain are the four largest member economies,

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and in the members Greece, Ireland and Portugal face a serious economic crisis (**Figure 1, Table 1 and Table 2**) (7, 8,9).

In addition, the low interest margin debt of sovereign bonds also indicates that the market does not expect significant default risk, of course, rather than a large-scale financial crisis that may sweep the entire euro system (8). To the extent that current account imbalances accelerated income convergence by reallocating resources from capital-abundant high-income countries to Greece by reallocating resources from capital-abundant high-income countries to capital-scarce low-income countries, this would be a positive gain from monetary capital-scarce low-income countries (10,11).

The concrete causes of the debt crisis may vary. In several countries, private debts arising from a property bubble were transferred to sovereign

debts as a result of banking system bailouts and the government's responses to the slowing economies post-bubble. The structure of the eurozone as a currency union (i.e., one currency)

Table 2: shows that between 1993 and 1997, the imbalance in the euro account was very small.

Current Account Balances (percent of GDP)				
country	1993-1997	1998-2002	2003-2007	2008-2011
gerrece	-2,0	-5.9	-9.1	-11.1
ireland	3.4	-0.2	-2.6	-1.6
italy	2.1	0.2	-1.8	-2.9
portugal	-2.4	-9.0	-9.2	-10.5
spain	-0.6	-3.1	-7.0	-5.8
france	1.1	2.0	-0.2	-1.9
germany	-0.9	0.3	5.1	5.7

without fiscal union (e.g., different tax and public pension rules) contributed to the crisis and limited the ability of European leaders to respond (12). European banks own a significant

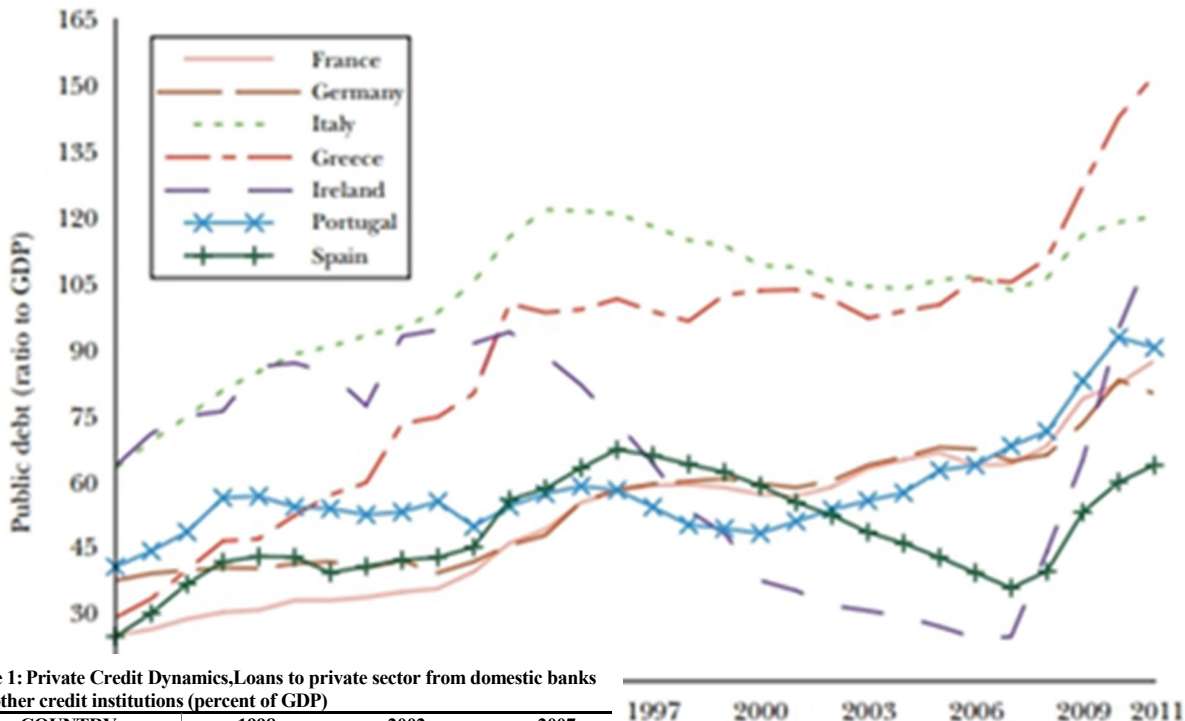


Table 1: Private Credit Dynamics, Loans to private sector from domestic banks and other credit institutions (percent of GDP)

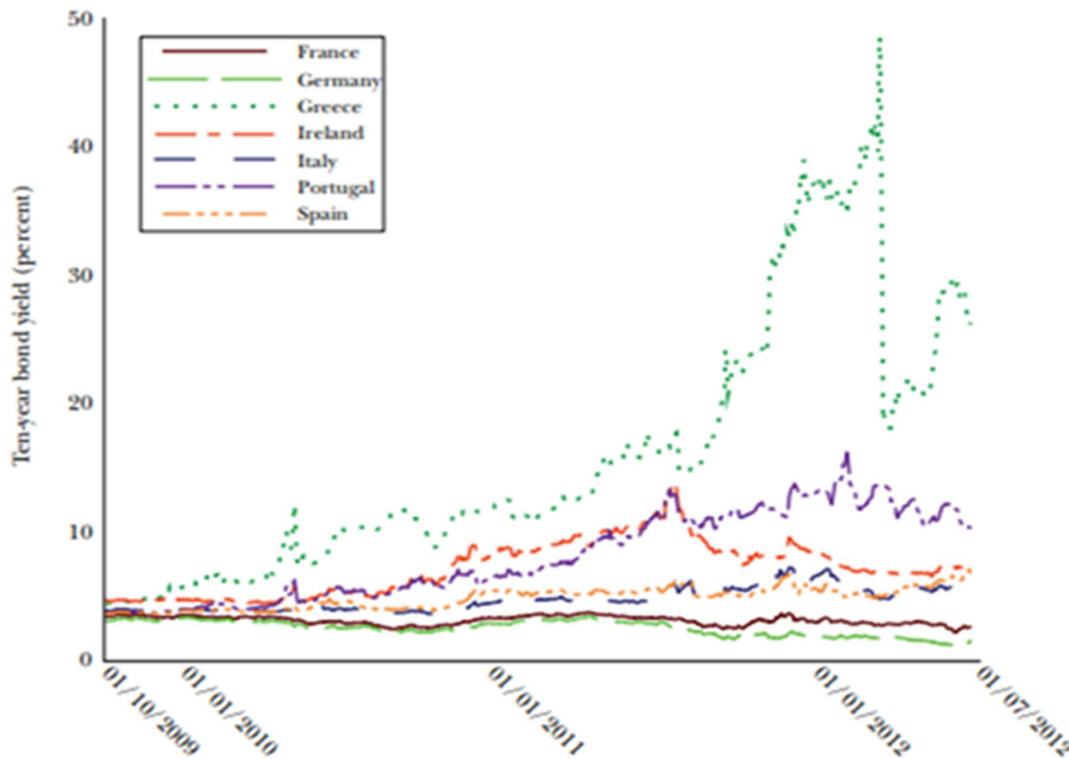
COUNTRY	1998	2002	2007
IRELAND	81.2	104.4	184.3
PORTUGAL	92.1	136.5	159.8
SPAIN	80.8	100.1	168,5
ITALY	55.7	77.1	96.5
GERMANG	112.2	116.7	105.1
FRANCE	81.0	85.6	99.3
GREECE	31.8	56.5	84.4

Source: World Bank Financial Database

. The fluctuation of the public debt ratio in seven key
ance, Italy and Spain are the four largest member
ugal face a serious economic crisis.

amount of sovereign debts, such that concerns regarding the solvency of banking systems or sovereigns are negatively reinforcing (**Figure 2**) (13).

choice for refugees. At the same time, refugees are also attracted by the higher quality of life and more job opportunities in Europe. But too much influx of refugees tends to cause more and more troubles for locals. But most refugees tend



Source: Author's calculations based on data from Datastream.

Figure 2. the regional performance of the seven-euro country 10-year bond yield (from October 2009 to June 2012)

The data shows that these key countries are facing a more serious economic crisis, and it is undeniable that Eastern European countries have the same economic crisis, but the more intractable problems facing the European Union are not mainly in Eastern European countries, so Eastern European countries have not brought a more serious economic crisis to the European Union.

As refugees' crisis

Because the Middle East and North Africa are close to Europe, Europe has become the first

to choose northern Europe. Approximately 710,000 migrants are estimated to have arrived by sea so far this year. Currently, there are 50 million refugees worldwide and most of the 9 million Syrian refugees are either internally displaced (6.5 million) or belong to neighboring countries (over 4 million), such as Jordan, Turkey and Lebanon (14). A further 3 million people are internally displaced in Iraq. Depending on the economy and territory of different countries, the number of refugees that EU member states can accept is limited. Until the beginning of the summer, this emergency

mainly focused on Greece and Italy, with many people drowning while trying to reach Mediterranean shores, however, in the last few months it has also extended to the so-called 'Western Balkan route', with many arriving by sea and then trying to make their way to Northern European countries such as Germany and Sweden (15).

Since the European Council in Tampere in 1999, the EU has been dealing with this issue, keeping in mind two priorities: the need to secure and integrate more and more new immigrants. This is the most urgent problem now. Indeed, one of the most important changes introduced by the Lisbon Treaty is to expand the EU's capabilities in the field of immigration by introducing new powers, specific resources and instruments to the European Parliament. In essence, the only problem to be overlooked is the number of immigrants entering each country. Unfortunately, the repressive and security of immigration policies have received great attention over the years, and it remains the same today. Due to the lack of political agreements, many legislative proposals have been blocked by the Security Council. In the current multi-year financial framework, and the current situation has greatly challenged the EU's ability to act.

Since the outbreak of the refugee crisis, Poland, the Czech Republic, Hungary and Slovakia have opposed the EU's mandatory quota system for resettlement. The four countries support and cooperate with each other, exclude the suppression from the EU's administrative, judicial and parliamentary departments, and refuse to accept the EU's mandatory refugee distribution system. Therefore, the EU refugee distribution plan has not been passed so far.

As political, legal, and societal crisis

The most controversial issue is reflected in the controversy over the EU's mandatory sharing of refugees. Since the outbreak of the refugee crisis in 2015, Poland, the Czech Republic, Hungary

and Slovakia have opposed the EU's mandatory quota system for resettlement. After 2017, Poland, the Czech Republic, Hungary and Slovakia continue to adhere to the above position, and Hungary's position is tougher. In February 2017, Hungary decided to build the second wall on the border between Hungary and Serbia. In March, Hungary deferring the entry of refugees for half a year. In June, the European Commission, in response to Poland, Hungary and the Czech Republic which refused to fulfill their obligations to receive refugees within the quota, issued an "official letter of notification" to the three countries to initiate the violation procedure. In July, as the second step of the violation procedure, the European Commission sent "reasonable opinions" to the three countries. The reason why Eastern European countries will resist the entry of refugees is due to the fact that their own countries are not developed. The entry of refugees means that the employment rate of their citizens will be more affected, and because of the terrorists in Europe in recent years. The increase has made the entry of refugees even more dangerous. Therefore, the boycott of refugees by individual countries has also increased the safety of the EU to some extent.

The dual quality standards within the EU are another issue that has caused controversy among Central and Eastern European member states. Since 2017, Slovakia, Bulgaria, Lithuania, Croatia, Poland, Hungary, Czech Republic and other countries have accused the products sold in Western Europe and Central and Eastern Europe, especially the quality of food, violating EU single market rules, causing EU concern. In March, in Hungary, the Czech Republic, Poland and Slovakia, the EU Spring Summit addressed the differences in the quality standards of Nutella chocolate sauce produced by the Italian FERRERO ROCHER Company. In September, European Commission President Jean-Claude Juncker mentioned the issue of double standards

in the annual "Counselling Address" to the height of equality among member states.

As original members of EU, Germany, France, Italy, the Netherlands, Belgium and Luxembourg, they have already unified values and recognition of the sovereignty of handing over some of their own countries. But it is impossible to hand over all sovereignty. At the same time, for Eastern European countries that called Soviet satellite states, their values of democracy, freedom and human rights are different from those of the European Union. It is difficult to unify them all at once. In view of some countries have just regained their sovereignty, making it difficult for them to hand over part of their sovereignty to a higher institution. This has led to a lot of differences between Eastern European countries and the European Union in terms of value, the definition of freedom, the Definition of democracy and the concept of human rights. Part of the reason why Europe is difficult to unify.

As constitutional crisis

The existential threat to the EU is presented in constitutional terms, with crisis heralding a reconstitution of Europe's political form (16, 17). If the crisis occurs when the organizational principles of a society are forced to change because they no longer permit "the resolution of problems that are critical for its continued existence" (18). Because of the acute nature of the economic crisis in the Eurozone, it is easy to forget that from a constitutional perspective, the EU has been in a critical limbo since the failure of the Constitutional Treaty, rejected in referenda by the people of France and the Netherlands and subsequently abandoned in favor of the Lisbon Treaty. The sense of academic and elite dismay wrought by this debacle and the identity crisis it precipitated now appears something of a luxury, an indulgence befitting calmer times (19, 20,21). What Europe needs most now is unity and cohesion. "Constitution-making has hitherto

been a response to situations of crisis," noted Jürgen Habermas in a celebrated essay penned in 2001 that signaled the prelude to the ill-fated constitutional experiment in Europe. But "where is such a challenge in today's rather wealthy and peaceful societies of Western Europe?" he asked, with what now seems exquisite irony (22, 23).

On January 12nd 2005, the European Parliament voted a legally non-binding resolution in support of the Constitution by 500 votes in favor to 137 votes against, with 40 abstentions (24, 25). On 4 June 4th 2007, this group, known as the Amato Group, presented its report. They proposed to establish a new Inter-Governmental Conference with a view to sign a new treaty which would rewrite the Maastricht Treaty, amend the Treaty of Rome and give the Charter of Fundamental Rights of the European Union a legally binding status. The new treaty would be based on the first and fourth parts of the Constitution, the rest of the Constitution's changes being achieved through amendments to the Treaty of Rome (26).

But Europe now faces far more problems than its expectation, and these problems are often caused by European integration. The composition of Europe is not single. Different countries have different political directions and paths. Blind integration will only bring more troubles. Obviously, the joining of Eastern European countries has also had a certain impact on the crisis, but their participation may also have an impact, but there is no direct cause of these crises.

Conclusion

It is clear that the accession of Eastern European countries has made the problems facing the European Union approximately worse, although the decision of Eastern European countries to join the European Union has strengthened the international status of the European Union, bringing more investment to the European Union.

European Council President Herman Van Rompuy claimed that “finally Europe had become ‘Europe’ again” (27, 28). Expansion is the EU's most successful foreign policy tool. The exchanges between members have brought Central and Eastern Europe on the road to peace and democracy. Without it, the war in history is easy to reappear. Expanding policies can stabilize the development of each country on the European continent and create different constraints between each other.

The decision of Eastern European countries to join the European Union, due to its different historical backgrounds, different political roads and different assessments, has caused many crises in the crisis facing the EU and has had a certain impact on European integration. But these are the only way for European integration, although it has had some obstacles and negative effects, and more importantly, the benefits it brings. More than this, these are problems that must be overcome by European integration.

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