WHERE EUROPE IS GOING - WIDENING OR DEEPENING?

By John A. Usher*

1. *Introduction*

Quite apart from the debates over the Maastricht Treaty, the European Communities stand on the verge of important developments concerned both with their widening (in the sense of developing closer links with certain non-Member States) and their deepening (in the sense of developing closer integration within the Community).

The deepening takes the form of the expiry of the time limit laid down by art.8A of the EEC Treaty (introduced by the Single European Act) of 31 December 1992 for the completion of the internal market, defined as an area "without internal frontiers" in which there is free movement of goods, persons, services and capital - and it must be said that a very high proportion of the legislation declared[1] to be necessary to achieve that aim has been adopted at the Community level, whatever may be the degree of its implementation at the national level.

The widening may be seen in two important ways. The first is the creation, originally intended to be from 1st January 1993, but now presumably delayed as a result of the Swiss referendum on 6th December, of the "European Economic Area". As negotiated, this would comprise the European Community, the EFTA countries (Austria, Switzerland, Norway, Sweden, Finland and Iceland) and Liechtenstein, but will now not include Switzerland and possibly Liechtenstein. The essence of this arrangement is that the EFTA countries and Liechtenstein will apply the internal market rules of the EEC (i.e. those relating to the movement of goods, persons, services and capital, and also the competition rules) even though they are not members of the Community and did not participate in the legislative processes which led to the enactment of those rules; furthermore, they will make a financial contribution to the Community for the privilege of applying these rules. In effect therefore, the internal market rules of the EEC will be applied throughout Western Europe, even though only the Member States of the Community participate in the institutional structure.

The second aspect of widening concerns Eastern Europe. In late 1991 and early 1992, Agreements were negotiated with Poland, Czechoslovakia (as it then was) and Hungary.[2] These agreements give privileged trading treatment

---

* *Professor in Law, Institute of European Law, The University of Birmingham.*