

## 'EEA, an important investment' from the EFTA Bulletin (May 1992)

**Caption:** In its issue for May to July 1992, the EFTA Bulletin welcomes the signing, on 2 May 1992, in Porto, of the Agreement on the European Economic Area (EEA).

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## EEA, an important investment

By the signature of the Agreement on the European Economic Area (EEA) on 2 May in Oporto, the EFTA States and the European Community reached a decisive milestone on the road to further European integration. Twenty years after the free trade agreements, a substantially improved basis for an already close relationship has been found. The Agreement, the most comprehensive ever to be concluded by either the EC or EFTA will, from its outset, open up the single market of 1993 to 32 million additional Europeans. The EEA will offer citizens of the EFTA countries and their economies unprecedented opportunities in all the four freedoms of the single market — goods, persons, services and capital — as well as in a large number of flanking policies such as education, environment, research and development.

Less than two months later, the European Council of Lisbon considered “that the EEA Agreement has paved the way for opening enlargement negotiations with a view to an early conclusion with EFTA countries seeking membership of the European Union.” Does this mean that the EEA will only be a short-lived transition agreement, valid for a few years? Was it worth almost three years of difficult and complicated negotiations? Will the creation of all the new institutions and mechanisms foreseen by the Agreement be worthwhile?

At first sight, the two events — Oporto and Lisbon — seem to stand in contradiction to one another. But with further appraisal a certain logic becomes evident: the EEA negotiations were not carried out in a political vacuum. When the EEA process was launched by the historic speech of Commission President Jacques Delors in Strasbourg in early 1989, Europe was still divided into East and West. The Berlin wall had not yet fallen. EC membership for EFTA countries seemed at best an option for a distant future and the EEA thus appeared as a long-term alternative. But dramatic changes in Central and Eastern Europe, coinciding with the EEA negotiations, prompted the majority of the EFTA countries to reconsider their attitude towards EC membership; and the character of the EEA therefore changed even whilst negotiations were still in process. Instead of an alternative, the EEA will be the first step to membership for those EFTA countries which have already decided to make, or which are now considering, an application for EC membership.

Considering the fact that the EEA incorporates almost eighty per cent of existing Community legislation — practically all of the Single Market with the exception of the Common Agricultural Policy — the EEA was certainly worth all the effort; the EFTA countries which are candidates for EC membership will have integrated the Community *acquis* into their legislation by the time they begin negotiations, and hence be able to set out from a basis of non-discrimination. They will be part of the Single Market several years before membership becomes a reality. Without the EEA, EFTA countries wishing to become EC members would find themselves in a much more difficult position. With the EEA, much of their “homework” will have been done before they sit down at the negotiating table.

By detaching the question of enlargement from the institutional reforms of the Community, the Lisbon Summit may have brought membership negotiations closer; but the formal opening of these negotiations remains conditional on ratification of the Maastricht Treaty and agreement on its financial aspects, the “Delors-II” package. And even if membership negotiations begin early in 1993 as expected, the Lisbon Summit has not fixed a target date for completion. During the crucial years ahead, the EEA will therefore constitute a vital element of predictability in EFTA–EC relations.

And let us not forget that not all the EFTA countries are seeking EC membership, at least not for the foreseeable future. For some of them, the EEA will therefore remain the only basis of their relations with the Community for many years to come. The potentially wider European role which the EEA could one day play, beyond the EC and EFTA, is another reason to see the Agreement of Oporto in more than just a provisional perspective.

Whatever the perspective, the EEA negotiations were not in vain. The EEA is an important investment in the future for all its partners. This why it is vital that the ratification process now under way be concluded as swiftly as possible, in order have the Agreement in force in 1993. In the meantime, decisions taken by EFTA ministers at their meeting in Reykjavik in May have prepared the Association for the important tasks it is

soon to assume, in the administration, surveillance and further development of the EEA.

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