Jointly Constructing a Larger Europe
Old residents, new arrivals, and those beyond the pale

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in: Europäische Rundschau, 01/2004.

To say that the European Union, both before and after the European Convention and the intergovernmental conference on the draft constitution, does not have any kind of emotional appeal or indeed mythical quality not only forms part of the eurosceptic's standard arsenal of arguments, but is also the way in which quite a few people in Brussels see the situation. The important round of enlargement on 1 May 2004 will certainly do something for the emotional substance of the Union. In contrast to an Italian or a Swede, a Czech associates full EU membership as the dramatic apotheosis of a process of liberation and restoration to Europe that has been going on for more than ten years. For a Lithuanian the first emotional association will not be the 31 chapters of the acquis or the distribution of seats in the European Parliament; it will be a flashback to the days in January 1991 when Soviet tanks rumbled through the capital.

The European Union nonetheless possesses myths of its own which give order to, explain and legitimate a reality of extreme complexity. Not less than five different myths have grown up around the enlargement process. They pertain to adjustment, the final shape of the EU, equality, transferability, and the notion of unity.

The adjustment to EU standards accomplished by the new members forms the basis for membership. However, the economic data point to a hitherto unknown level of diversity. The "closure for the time being" of the negotiations chapter on the part of the EU, and public opinion in the accession countries, which tends to be interested in "returning to Europe" and not in the provisions of the acquis, promote the illusion that from 1 May 2004 onwards the EU will be a kind of paradise.

In view of the low popularity of enlargement to the east as an important European project and the explosive nature of the debate on Turkey, politicians in Brussels and in the national capitals are fearful of making an issue of the fact that in the medium term further rounds of accession, which will also receive a lukewarm response from EU citizens, are in the offing: Romania, Bulgaria, and the western Balkans. Thus, with regard to geographical expansion, there can be no such thing as the final state of the EU for a long time to come.

There is a direct link between adjustment to EU standards and the postulated equality of all of the member states. Profound differences in this regard were demonstrated by the debate in the wake of last year's American comments about "the old Europe and the new," and then more emphatically by the reactions to Polish obstruction with regard to the constitution issue. So long as no new east-west confrontation within the EU arises to dominate the integration process, the equality of the new arrivals can also constitute a potential for greater dynamism.

The 1990s demonstrated in a tragic manner the qualitative differences in the transformation processes of eastern central and south-eastern Europe. Nevertheless, after the change of paradigm in 1999, when a comprehensive stabilization strategy was adopted, European policy on the Balkans has recently begun to shift towards an

integration strategy that imitates EU enlargement to the east. However, the transferability of this successful model seems rather questionable. As a result of the transformation backlog and the legacy of the regional conflicts, and, last but not least, by the weakness of the states concerned, the approximation strategy pursued in the course of enlargement to the east may well prove to be too much for the countries involved in enlargement to the south-east. The challenge facing the EU in regard to its relations beyond the outer border of 2004 is not so much the gradual approximation to the acquis. Rather, it is the development of new levels and areas of cooperation for the western Balkans and the states which neighbour on the "Wider Europe."

As a result of this the clear-cut distinction between differentiated deepening of integration among the 25/27 member states and differentiated enlargement beyond the outer border of 2004 will increasingly prove to be an abstract idea. On account of the new challenges it will be impossible to preserve the unitary nature of the European Union as a system which only makes a distinction between members and outsiders. The interlocking internal and external types of differentiation constitute the strategic potential of the Union as an active and flexible regional power.

EU enlargement and the home stretch

From the very beginning there was more to European integration than simply maximizing benefits for its members. The European Union combines economic progress and political stability with structures designed to strike a balance between the interests of all its members. Integration signifies participating in and being part of a community of fate. The fundamental idea of this community is the concept of European solidarity, and a constituent element of the concept of solidarity is that it is prepared to accept new members. In the eyes of an integrated Europe, the path to democracy and the market economy taken by central and eastern European states is also the path which leads to the European Union. Thus the traces of a divided Europe can only be overcome after they have joined the EU and achieved formal equality with its present members.

The accession of ten candidates represents an unprecedented challenge. However, with its one-sided emphasis on the costs, the debate on enlargement has moved in the wrong direction. Such thinking is not only one-dimensional, but also quite incorrect. The future members of the EU from central and eastern Europe will initially no doubt be among the net recipients of the Union. Since their economic wealth, even on the basis of today's positive growth forecasts of ca 5% per annum, will for the foreseeable future be lower than that of most of the other EU states, they will in the long term have to rely on transfer payments from the Community budget. However, all in all the enlargement to the east will be of great economic benefit to the EU, and a credible assessment of the costs of enlargement to the east ought to take into account these positive effects.(1)

The EU already benefits from the considerable upsurge in trade with the central and eastern European states. True, central and eastern Europe's share of the total exports of the Union is still relatively small, yet the potential for trade has certainly not been exhausted.

The EU promotes the dynamic nature of these trade relations, since the adjustment of legal norms and administrative provisions, the tax systems, the infrastructure, and the higher level of security for foreign investors accelerate economic growth in the new member states, and will therefore improve the export prospects of west European companies.

With its effect on growth, prosperity and structures, the enlargement to the east will help the EU to attain a higher level of global competitiveness. In the context of global competition, the EU needs the new and dynamic markets of central and eastern Europe in order to unfold its own economic dynamism.

The benefit of enlargement to the east varies with regard to countries, regions and sectors, and of course costs and benefits occur to different extents in space and time. The EU member states which have more intensive economic and trade relations with the central and eastern European accession states, or which happen to be in a more advantageous geographical position, will continue to derive greater profit from the situation than others.

The enlargement of the EU also constitutes an appropriate (although insufficient) response to new security risks for Europe as a whole. This response transcends membership of NATO, which all ten central and eastern European candidates have already been accorded, or will be accorded at about the same time as they join the EU.

On the intergovernmental level, the EU provides a framework within which it is possible to improve the relations between its new members. It possesses stable and well-tried structures for the discussion of questions from every policy area, whilst at the same time promoting respect for human and minority rights.

Joining the Union will reduce the danger of social conflict in the accession states. Thus EU membership constitutes effective protection against the risks of poverty-driven migration. The same holds true of the fight against organized crime, since pan-European cooperation in the areas of internal security and justice is the only appropriate way of dealing with this threat.

Enlargement will link up the societies of eastern and western Europe on various levels, and this can lead to better mutual understanding and the dismantling of stereotypes. Furthermore, both sides will have the opportunity to learn something new.

Freedom of movement within the Union will increase the number of social contacts, and in this way relations which are weighed down with a historical burden can lose some of their potentially explosive character. Open borders can also reduce minority conflicts. In central and eastern Europe in particular, the kind of cross-border cooperation promoted by the Union can lead to confidence-building and conflict reduction.

Enlargement to the east means that the new EU members will be tied into a democratic system with strong civil societies, and this will facilitate the transition to a stable democratic political culture.

Last but not least, enlargement to the east will solve some of the grave ecological problems which continue to exist central and eastern Europe as a legacy of the socialist past. The adoption of EU environmental standards and the transfer of know-how will defuse some of the risks which, on account of their cross-border nature, are in a position to endanger the whole of Europe.

If one takes into account the positive effects of enlargement, then the benefits for western and eastern Europe outweigh the actual costs (transfer payments minus economic benefits). In spite of this positive balance, the project of a larger EU is in some danger on account of the fact that Europe has failed to highlight the strategic opportunities of enlargement in a more emphatic manner.

EU enlargement and the ensuing questions

On 1 May 2004 the membership of the European Union, which had once begun as an alliance of six democratically mature states with stable market economies, will increase by 66%, from 15 to 25. The total population will increase from 371 to 450 million, and the territory of the EU by 23%. The magnitude of the challenges which this "enlargement" involves can only be partly surmised from the data. The total GDP of the Union will increase by only 4.5%, from €8.83 to €9.23 billion. The average per capita GDP will thus decrease from €23,800 to €20,510. The prosperity gap between the poorest (Portugal) and the richest countries (Luxembourg) of the EU-15 will increase significantly as a result of enlargement. Latvia, with €7,700 (in terms of purchasing power) reaches just about a third of the EU average, and with the accession of Romania the intra-EU disparities in this respect will increase even more. The continental EU outer border, which, between Trieste and Karelia, is now just about 3,000 km in length, will be exactly 5,000 km, and thus almost as long as the U.S.-Canadian border.(2)

This new cultural, political, social and economic diversity is scarcely concealed by the dry equation "15 plus 10 equals 25." Although the accession process will reach its grand climax on 1 May 2004, approximation in the real sense of the word will still continue. The U.S. term "EU expansion" (even though this is not actually as belligerent as some Europeans would like to believe) emphasizes the "imperial" dimension of Europe as regional power, which is certainly in evidence. However, it overlooks the tough negotiations for the new arrangements in the EU-25. The new shape of the balance of power within Europe and the incorporation of diversity can be disguised neither by means of the mathematics of seat distribution nor by symbolic gestures.

The complicated transition from dictatorship to democracy, from the planned to a market economy, and from bloc structures to national independence were and to some extent continue to be weighed down by a host of unsolved problems. These include, for example, economic backwardness, a decrepit and underdeveloped infrastructure, serious ecological damage, and civil society deficits, that is to say, a lack of trust in the state, in institutions, and the judicial system.

When seen against this background, the impressive economic success of the central and eastern European states is all the more remarkable: substantial growth rates, far-reaching privatization, improvement of the climate for foreign investments, and significant rises in the levels of trade. Among other things, this has led to a steep increase in trade between the European Union and the central and eastern European states, and to changes in the economic and judicial system which were prompted by the prospect of EU membership. For each of the states concerned, joining the EU meant incorporating the numerous legal provisions of the EU's acquis communautaire into national law. This amounted to an virtually unimaginable challenge. In order to be eligible for membership, a great of work had to be done in a very short space of time.

The increase in economic disparity and the greater variety of interests lead to a Europe that is both more diverse and political. The precursors of the conflicts that may arise as a result of this state of affairs have been in evidence for some time. For example, the distributional struggles in the case of the Structural Funds and the EU agriculture budget have intensified, and last year there were exhaustive discussions on the sensitive subject of the free movement of labour. And in fact the negotiations on the new EU agenda 2007 have only just begun, though the behaviour of Spain and Poland at the European Council in Brussels at the beginning of December 2003 was a harbinger of things to come.

Which Europe? How to bring enlargement to a close

At the beginning of the project of enlargement to the east the reform of EU decision-making structures and procedures was seen as an essential prerequisite for the acceptance of new members. Now, on 1 May 2004, exactly the opposite threatens to be the case. Thus the accession of new members is one of the reasons why certain steps leading to deeper European integration have been delayed. Furthermore, in view of the not overly optimistic results of the Eurobarometer poll, which demonstrate that the citizens of the current EU states are not particularly willing to welcome new countries to the club, politicians of many different persuasions are calling for a lengthy phase of "digestion" or consolidation.

Whereas the eurosceptics were defeated in the referendums in the accession states, which came as something of a surprise, the Eurobarometer data demonstrate that the proponents of enlargement have only to a certain extent managed to convince citizens of the logic of their case. According to the most recent polls in EU-15 countries, 47% of citizens are in favour of the 2004 round of enlargement, though 36% are against it. The results, in the case of those in favour, range from 65% in Greece to a meagre 34% in France. Thus it is only logical that France, with 56%, should take the lead in the case of those who are sceptical about enlargement, in contrast to merely 15% in Spain.(3) In recent years many EU states have failed to make a robust attempt to convince their citizens that they were doing the right thing. Instead of pointing out the advantages which have been outlined above of the acceptance of ten new member states, they have involuntarily abandoned the field to populists who prey on the quite understandable anxieties of EU citizens.

In 2003 the debate about "Europe's" final silhouette centred on the question of Turkish membership. However, the task of actively shaping the process of European integration should not hinge on the question of whether the EU ought to have 27 or 28 member states. For the foreseeable future it will be impossible to complete the enlargement process taken as a whole. It would be a fatal mistake to leave strategic challenges unanswered simply because there is a wish to define the final state of the Union.

The European public is largely unaware of the fact that Brussels, after the larger round of enlargement "plus 10" in 2004, and the envisaged smaller round of enlargement, which three or four years later will in all probability comprise Romania and Bulgaria, the stragglers of the Helsinki group, and Croatia, the vanguard of the Zagreb group, has made irreversible pronouncements with regard to future EU membership. It is impossible to determine the time-scale of the membership process in the case of the western Balkan states of Serbia and Montenegro, Bosnia and Hercegovina, Macedonia and Albania, or to predict the length of possible membership negotiations with Turkey, on which a decision will be made at the end of 2004. If the Union is to keep its promises, it can only begin to speak of "completion" from an EU-33 onwards. This could turn out to be wrong, not on account of possible membership applications from Switzerland, Iceland, Norway or even Israel, but as a result of the growing strategic task of offering flexible and differentiated forms of integration to neighbouring countries beyond the outer border of a future EU-25/27.

The old members and the new: the equality of the 25

Even if one thinks in abstract intellectual terms of the various scenarios of differentiated deepening or enlargement of integration, enlargement to the east after 1 May 2004 will continue to be a tinderbox. For the new member states the final signature on the membership certificate was quite logically of the utmost importance from the very

beginning, whereas the current members and the Commission were more concerned about a "one-to-one" implementation of the acquis.

The full and unrestricted membership of the 10 will not change in one fell swoop the subtle difference, both real and perceived, between old and new members. Thus the issues which follow upon enlargement to the east will become internal EU disagreements. What this means in practice is not a new and simple division of Europe into old and new members, but shifting coalitions. Nevertheless, this constellation has the potential both to bring the integration process to a halt, or to accelerate it in specific ways. The lasting acceptance of the new members by the old will interlock with strained structural relationships between EU members, that is to say, between small and large (and here only Poland and possibly Romania could be reckoned to belong to the large or medium-sized states), between eastern and southern members, and between net contributors and recipient countries. In general terms it seems likely that the process of compromise and acceptance between new and old members will assume three forms: the defence of national interests, the complete implementation of the acquis, and, conversely, adherence to "European norms and regulations" by the current members.

The heroic achievement of the approximation mentioned above and the adoption of the acquis within the space of a few years will be subjected, from 1 May 2004 onwards, to its definitive and most thorough examination to date, namely, actual participation in all the various dimensions of European integration. Innumerable shortcomings of a technical and also a political nature will no doubt become apparent. The Commission, through its progress reports, has in the course of the past few years made considerable efforts to check up on the formal and legal aspects of the adoption of the acquis, and in certain areas has repeatedly criticized the faulty implementation of the new laws and regulations. Anyone reviewing the number of disagreements (some of them in the courts) between EU Commisioners and current member states about a seemingly endless series of specific issues, can only speculate about the multiplication factor which will apply in the case of the ten new member states with their incomplete transformation processes, their administrative apparatus which lacks decades of EU experience, and their occasional bouts of resistance when it comes to transferring sovereignty to Brussels. However, at neuralgic points the tug-of-war with the EU Commission, in a manner that resembles the case of the stability pact, will involve coalitions with other member states, thereby increasing the politicization of the EU.

The grand total of 265 transitional regulations in 14 of the 30 chapters of the negotiations with the ten candidate states, for example, in the area of freedom of movement for labour, demonstrate to the accession countries, even though in a model fashion they are only for a specified length of time and precisely defined and individualized, that full membership does not equal full membership. The flexibility and differentiation of these regulations leads to a state of affairs where in the years to come no more than about 2 of a total of 150 bilateral relations between the fifteen old and ten new member states in crucial areas (single market, freedom of movement, the ownership of land and by implication the Schengen agreement) will remain the same. In addition to this there are specific protective clauses for the accession states designed to facilitate the functioning of the single market and the area of justice and domestic policy.(4) It is possible to predict that the stepwise incorporation of the ten, for example, into the Euro-zone, will make the overall picture even more complicated or differentiated.

Since the accession states have for 10 years been subject to intensive and insistent scrutiny with regard to their "European substance," the implementation of the EU acquis, and adherence to "European norms and values," it is not unthinkable that

membership will bring with it a certain reversal. For example, with regard to the policy on minorities, there would be some justification in asking whether the old members themselves always adhere to the norms and values required of the new arrivals. Thus it is quite possible to imagine that the accession states will remind them of this in a rather convincing manner, and thus may well promote Europeanization in a number of areas.

As a result of enlargement there will probably be differentiation not only with regard to internal Europeanization, but also in the area of foreign relations. 2003 demonstrated that, for historical and for tactical reasons the majority of accession states have adopted positions towards the U.S., the only remaining superpower, and Russia, a great power whose proximity is still felt to be a threat, that differ from those of EU founding members such as France or Germany. Furthermore, the formation of clusters is a distinct possibility.

North-east. The Scandinavian and Baltic states are concerned, also within the EU context, to structure their relations with Russia in their own way.

East. At the same time Lithuania and Poland in particular are developing creative potential as they attempt to strike a balance between EU (or Schengen) regulations and their relations with their neighbours, Belarus and Ukraine.

South-east. The Greek presidency of the council and the Thessalonika summit in June 2003 once again demonstrated that the countries of the western Balkans now have eloquent advocates within the EU-15 (and these transcend supposed historical links).

South. It is still unclear to what extent foreign policy and geographical interests will determine the support of southern EU states for a constructive development of relations with north African Mediterranean states within the "Wider Europe" framework. An element of internal EU power politics is no doubt behind the competition between an "eastern" and a "southern" EU foreign policy orientation.

Despite the clearly evident risk of obstruction, and hitherto unsuspected complexities, the differentiation of interests in the EU-25 also contains the potential for renewal.

The enlargement model after enlargement to the east

Enlargement to the east is not only, and perhaps not even primarily, an economic subject. It is important to bear in mind the cultural aspects, for one of the responses to the changes that have occurred over the last ten years is the return of certain basic historical profiles. When surveying the overall picture, it is impossible to overlook the fact that we are faced with a reappearance of areas with developed historical cultures. In central and eastern Europe in particular, mindsets which had disappeared in the course of history are acquiring a new life of their own in the shape of various cultural regions. There is eastern central Europe, the character of which was shaped by western Christianity and the Habsburg Empire; there is south-eastern Europe, which was shaped by Ottoman rule; and there is the Byzantine-orientated Russian state. The old boundaries between Catholic and Orthodox Europe, and between the Ottoman and Habsburg empires have once again acquired some of their former relevance.

In order to understand the ramifications of the conflicts in eastern central Europe, it seems apposite to study earlier conflicts and maps. With regard to the mindsets of the people involved, many of the conflicts in south-eastern Europe may be construed as a prolongation of the power struggles which throughout the 19th century and the beginning of the 20th century were known as the oriental question, that is, the history of the decline of the Ottoman empire, the associated problem of national balance, and the struggle between the Habsburg and tsarist empires for power and influence. Elements of

the oriental question are still in evidence in the Caucasus and in the Balkans, and relate to how Turkey and Greece see themselves. They remind us of the Macedonian and Albanian questions, and make one think of the explosive nature of the conflicts in Kosovo, or the problems in Macedonia and southern Serbia.

The Balkans, which are surrounded by neighbours who are either current or forthcoming members of the European Union, possess in an especially compressed form a reservoir of historical experience which in one form or another is woven into the fabric of the whole continent. Cultural diversity exists in a very small geographical area. This has led to places which have a high symbolic value for different ethnic groups, and these are also in close proximity.

The countries of south-eastern Europe are already negotiating the terms of their membership (Romania and Bulgaria), or possess at least a concrete (though distant) prospect of joining the EU. Yet for the time being the whole region is excluded from enjoying the benefits of membership. Although the EU is the only promising framework for the region, there has hitherto been insufficient coordination of the instruments supplied by Brussels in order to support reform, for regional cooperation and for crisis management. Instability, diversity, and the tension between multilateral regional cooperation and bilateral EU integration will constitute a growing challenge to those responsible on the European and regional levels after enlargement to the east in 2004.

Of crucial importance for the authority of the EU is the credible promise of integration, without which there will be neither functional regional cooperation nor successful conflict management, nor sustainable reforms. Despite the debate on Turkey, the "Balkan enclave" has been seen as part of the final shape of Europe since the promise made in the document on the foundation of the stability pact for south-eastern Europe, which sought "to lead the region closer to a perspective of complete integration of these countries into its structures."(5) All of the participants are well aware of the fact that the Balkans are part of Europe, that its problems are European problems, and that a solution to them can only be a European one.(6)

It is paradoxical that, despite all the obvious differences to eastern central Europe, the model of EU enlargement to the east is the only one that promises to be a success in south-eastern Europe. The challenge consists in the need to establish flanking instruments and strategies around the association and accession process which will do justice to the regional idiosyncrasies to which allusion has already been made. Apart from this, time is a decisive factor in this context. The attractiveness of the EU should be utilized in order to accelerate the reform processes, though in such a way that the countries with the greatest structural weaknesses and instability are not excluded by the tempo and the nature of the demands, and that the risks of social indifference, or frustration and political exhaustion are not increased, and do not lead to setbacks and other destabilizing effects.

In south-eastern Europe in general, and in the countries of the western Balkans in particular, the transformation to a pluralist democracy and the market economy is taking place side by side with the developing prospect of EU integration. From the very start, the fact that transformation and EU integration were interlinked was of greater importance in this context than it was ten years ago in eastern central Europe. Tardy transformation and weak states with a history of interethnic and international conflicts are the reasons why the region is a central issue in the process leading towards stability, integration and prosperity in the whole of Europe. The current situation in south-eastern Europe differs from the political and economic transformation in eastern central Europe at the time of the European Council in Copenhagen 1993. A series of factors distinguish

the developments in the region from other instances of transformation to a pluralist democracy and market economy. Some of these are of a structural nature, others more the result of the conflicts of the 1990s.

Modernization and Transformation. One structural and historical weakness is the states' inability to take action, despite their pronounced claims to sovereignty and nation-state status. On top of this there is the weakness of civil society, which is linked to the consolidation of a nation-state that does not possess a sufficiently reliable and resilient middle class, and an excessive interaction of political and economic power before the Second World War. EU involvement in the stabilization and association agreements has hitherto concentrated more on guarantees for the non-involvement of the state in civil society areas and not on the deliberate strengthening of civil society. Apart from this, certain shortcomings in economic modernization reach far back into history.

Security and interethnic conflicts. Another obvious difference between south-eastern Europe and eastern central Europe is the contrast between ten years' of continuous transformation on the one hand, and ten years marked by conflicts and instability in large parts of the Balkans on the other. Today the legacy of conflict and the risk of renewed violence forms the subject of the political debate in and beyond the region, and in the final analysis this ties down considerable resources. The EU has the larger supportive task of dealing with the endemic crises of the weakest states in the region, since prolonged crises of this kind can lead to the derailment of incipient reforms, to bogus reforms, or to various forms of state capture. Hitherto the European side has underestimated the pressing need for comprehensive strategies and instruments in order to deal with the direct results of conflict. A core question is the return of refugees, which is now one of the main obstacles to local and regional reconciliation between ethnic and religious communities, and to economic and social development.

Diversity of the region as an enclave. These disadvantages, when compared to Estonia, Poland or Slovenia, are exacerbated by the diversity of the developments within the region. Certain countries in the region have greater potential and more advantageous preconditions for administrative and economic reform than others. Some have a relatively simple and straightforward path to EU membership before them. In these countries in particular there is not a great deal of interest in regional cooperation. Croatia's application for EU candidate status has called this institutional dividing line into question. Such unequal treatment can hardly be explained on the basis of the criteria of democracy and the market economy. On the other hand, regional cooperation can only be functional and potentially successful if the more advanced states participate, and not only the laggards. This is the dilemma of regionality. On the other hand, certain countries and statelike entities find themselves burdened with a considerably greater legacy of the conflicts of the 1990s, and a virtually insurmountable modernization backlog and institutional weaknesses. Their path to the EU will be very long and difficult, not least on account of the unresolved questions of sovereignty and potentially explosive interethnic relations. These differences are far greater in the small Balkans region than between the pioneers of transformation in eastern central Europe and the corresponding laggards. For these countries regional cooperation continues to be imperative. On the other hand, an advantage of the region is its small size, which makes it an "enclave" in a united Europe.

In the final analysis the political will and the involvement of regional leaders will determine the success of the overall European strategy for the Balkans, with its bilateral association processes, multilateral regional cooperation, and proactive crisis management.

After the first larger round of enlargement to the east in 2004, the dilemmas of regionality, conditionality, instability and diversity will return in full force. The stability pact and other regional initiatives have certainly accelerated reform and reconstruction in the whole region, but in 2004 the disparities will probably have become greater (and not smaller) on account of dependence on specific paths and the widely different points of departure of the countries in question. These dilemmas are just as much structural and persistent as are the problems peculiar to the region, though they primarily call upon the EU to be strategically consistent and creative. From 2004 onwards a process of enlargement to the south-east will require the strategic and in part also institutional interlinking of stabilization, integration, support for transformation, and crisis management.(7)

Internal and external differentiation

As a result of enlargement to the east, the EU will move forward to a border with Ukraine, Belarus and also Moldova reaching from the Barents Sea to the Black Sea. In the case of Kaliningrad a section of Russian territory will in fact form an enclave within the EU. And if enlargement were to include Turkey to form an EU-28, Iran, Iraq and Syria would be neighbours of the EU. Furthermore, the north African Mediterranean states are of increasing relevance for Europe. This means that the European Union will have neighbours which are politically unstable, ethnically polarized, and economically backward. Thus a new kind of ability to take political action is called for in the face of such risks, and there needs to be a foreign policy emphasis on the stabilization of the immediate neighbourhood. For this reason the question is not only the EU's capacity to absorb new members. Rather, in order to deal with this kind pressure, Europe needs to clarify the basic orientation it intends to adopt in the future.

In historical terms, the failure of the Brussels constitutional summit in December 2003 could actually create new opportunities. There is even room for optimism, despite all the signs of a crisis. Thus Europe should always think in terms of alternatives. A glance at the history of European integration demonstrates that moments of failure with regard to constitutional policy always marked the beginning of a new era and helped the community to regain momentum. In 1954, when the first European constitution, the European Political Community (EPC) and the European Defence Community, was rejected by the French National Assembly, Federal Chancellor Konrad Adenauer gave orders that same evening to pursue the alternatives in a vigorous manner. This then led to the Treaties of Rome, the EEC and Euratom.

The failure of the Brussels summit could well have a similar historical significance. It will have to be construed as the starting point for a differentiated approach to shaping the continent. In a large European Union of 25 and more member states, no one will want to wait indefinitely for a small and indecisive minority. There will be certain sectors in which policy can make some progress. Economic and monetary policy, foreign and security policy, and domestic and judicial policy all have to deal with important issues, and will need to come up with answers that resemble those of an individual state. However, 25 and more member states cannot all provide these at the same time and with the same intensity.

The limits of joint action were repeatedly apparent in the EU-15. Be it the Schengen agreement on internal security or the Euro-group, a Europe of different speeds is already a reality. The right moment has now arrived to deal with the reshaping and differentiation of a large Europe in a systematic manner, with or without a constitution.

At the same time European policymakers must discreetly attempt to ascertain whether there is a chance to adopt the constitution proposed by the Convention after all. In order to speed up this change of direction with regard to integration policy, the founding states and other partners willing to pursue integration, such as Hungary and the Czech Republic, but also Greece or Sweden, must take the initiative together to demonstrate their resolve to adhere to the constitution package as a whole. If such strategic thinking at last begins to make an impact, then the summit can be the point of departure for a new and large-scale architecture of Europe. In history and politics crises and opportunities are often closely interwoven.

Whether or not the constitution comes into force, differentiation will be a feature of Europe's future. Since the failure of the Brussels summit in particular, three kinds of differentiation have been discussed in the European debate: differentiated deepening within and without the framework of the treaties, and differentiated enlargement.

The internal EU debate on reform centres on options which would enable groups of member states to press ahead with deeper integration within the framework of the treaties in a way which transcends the Monnet method of the lowest common denominator. Since they have been forced to fall back on Nice, those who think about European matters are increasingly beginning to ask whether in this respect the instruments of open coordination and enhanced cooperation are in effect too constricted and formalized. In the face of the new challenges such as the Common Foreign and Security Policy, more attention is beginning to be paid to various kinds of differentiation outside the treaties.

However, the great debate about the differentiated integration of deeper cooperation is neatly separated from the realities of the differentiated integration of enlargement. For a considerable period of time the EU has stopped making a simple distinction between insiders and outsiders. Upon closer inspection the EU, in addition to full membership, distinguishes between at least three other categories of relationships, each of which includes subcategories and exceptions.

The category of membership candidates comprises not only the ten accession countries, but also Romania and Bulgaria, which have not as yet completed their accession negotiations (though they intend to do so by the end of 2005 in order to be able to join at the beginning of 2007), and Turkey, with which negotiations have not commenced.

In contrast to this, the associated countries of the western Balkans all possess a membership perspective, though their membership negotiations will take place within the framework of a specially created stabilization and association process. Here it would be possible to make a distinction between the countries with (Macedonia and Croatia) or without (Albania, Bosnia-Hercegovina, Serbia and Montenegro) a bilateral stabilization and association agreement. If Croatia acquires candidate status at the beginning of the year, the five countries of the western Balkans will constitute no less than three subcategories (even if one disregards Kosovo, an entity that is not a state).

Early in 2004 the new strategic instrument of Wider Europe/New Neighbourhood (8) will create a new category of countries, a circle of friends around the EU which in fact is even more diverse than the western Balkans, and includes states such as Morocco and Belarus, Russia and Israel. Apart from being neighbours of the EU, the western CIS states and the Mediterranean countries seem to have little in common. However, the same also applies among the EU's eastern neighbours to Belarus, a dictatorship, to Moldova, a small state on the verge of total failure, to Russia, a great power, and to Ukraine, which is of strategic importance and has expressed a wish to acquire EU membership.(9)

However, the borderlines within and between these categories are sometimes quite obviously contradictory. Thus Romania and Bulgaria as accession states have been placed on a par with the new member states in virtually all areas. On the other hand, Croatia, which also has the status of a (possible) candidate, will never shift to become part of the enlargement to the east process (i.e., from DG external relations to DG enlargement). In the European Parliament and elsewhere questions are being asked about whether or when Georgia, for example, or Iran should form part of a "Wider Europe."

The expedient myth that there is a clear-cut distinction between outsiders and full members – and it is expedient because it emphasizes the attractiveness of membership and thus the EU's transformation leversage – has in practice been undermined in numerous areas. The fact that the Kosovars and Montenegrins use the euro, whereas the British and the Swedes, who are full members, do not, can simply be regarded as a quaint detail. However, a good example of the questionable distinction between internal and external differentiation is the fact that Norway, a country which rejected EU membership, participates in the Schengen system, whereas Denmark acquired full membership without acceding to the Schengen accords. The western Balkan countries received comprehensive and asymmetrical free trade agreements more quickly than many EU candidates. Since the European Council in Thessalonika, and for good reason, the states of the western Balkans have become involved in cooperation in the areas of justice and domestic affairs, and will receive access to European educational programmes despite their status as "potential candidates." CFSP and ESDP are also characterized by the inclusion of non-EU states, which is unobjectionable in practice, though rather problematical with regard to the decision-making structures.

The EU and future neighbouring states are faced with the task of transforming functionally defined cooperation into the central mechanism of neighbourhood policy. The areas of economics, energy, transport, infrastructure development, telecommunications, and education are especially suitable in this regard. Even if there is no prospect of early membership, it will be possible in this way to weave a dense cooperation network that will progress to become a pan-European free trade area.

On the basis of functional forms of cooperation it will be possible to deepen institutional cooperation, and this can even involve the option of partial membership in certain areas of European integration. By means of this kind of external differentiation the European Union can develop into an actor with a pan-European perspective without sacrificing its effectiveness in internal terms. Without such strategies of differentiation, the larger European Union would run the risk of sharing the fate of major classical states which came to grief because they had to deal simultaneously with internal consolidation and external challenges.(10) In certain places the dividing line between differentiated deepening and differentiated enlargement would only be apparent to the trained eye.

Conclusions

As in the case of earlier crises in the unification process, the EU can derive the strength to embark in a new direction from the failure of the intergovernmental conference on the draft constitution. The delays with regard to the constitution will accelerate a development which the greater Europe is bound to witness in one way or another: the strategic renewal of the unification process by means of the deliberate use of the instruments of differentiated integration.

Hitherto it has been impossible to implement enlargement and deepening simultaneously without a high degree of differentiation as a result of the diverging interests and claims of the EU member states. A start has already been made with regard to variable forms of deeper integration. This has made it possible to overcome obstruction in the areas of monetary, domestic and social policyl, and to promote the integration process as a whole. At the same time there are now various ways of opting out of integration projects. The net result of this Europe à la carte is that it weakens the EU's ability to act in external terms, though it was required internally in order to preserve the consensus of the member states. Taken as a whole, differentiation has not led to cleavage in Europe, but to an increase in effectiveness and the constructive solution of problems in the interests of all the member states.

In the wake of the Brussels summit, the option of differentiated integration has begun to be of outstanding strategic significance. The various groups of countries will move forward at different speeds. In areas such as economic and monetary policy, foreign and security policy, or domestic and judicial policy, the European Union is expected to produce results which resemble those of a state. 25 and more member states cannot all deliver such results at the same point in time and with the same intensity.

The forms of enhanced cooperation enshrined in the Treaties of Amsterdam and of Nice will not always prove to be sufficient in this regard. They continue to be subject to major legal restrictions. The proposals of Convention would have removed many of these barriers. But without the new constitution, the possible kinds of differentiation permitted under the treaties are at the most in a position to overcome area-specific obstruction on a case-by-case basis. Enhanced cooperation can only be employed to a very limited extent as a basic instrument with which to deepen integration in a growing Union. The Nice variant is useless when it comes to making great leaps in existing fields, or indeed embarking on new policy areas.

Over and above this, fundamental disagreements between the member states will contribute to an extremely restrictive interpretation of the current flexibility provisions. In a climate of mistrust there will not be a great deal of readiness to permit a group of member states that are willing to engage in cooperation to lead the way. Thus deeper cooperation could only be implemented outside the treaty framework. The result would be a Europe of different speeds without norms set forth in a treaty and without links to the institutional framework of the EU.

This is especially true of security and defence policy. In accordance with the Nice guidelines, closer cooperation by specific member states in this policy area on the basis of the enhanced cooperation clause is explicitly excluded. On the other hand, the constitutional proposals put forward by the Convention provided for innovative and forward-looking forms of differentiated integration in the area of security and defence. Shortly before the Brussels summit the member states had all agreed on a treaty clause designed to facilitate structured military cooperation. As long as there is no agreement on the constitution, such cooperation, as was the case during earlier stages of integration, will take place outside the terms of the treaty.

There are of course certain risks involved in individual initiatives outside the EU framework – without predetermined rules laid down by the treaties, and without the participation of the European institutions. In order to deal with such risks, whilst making full use of the potential of differentiation for the strategic development of Europe, it must be clear from the very start that differentiation is being construed as a strategy which will make it possible for the EU as a whole to meet the challenges of the future as swiftly, actively and effectively as possible. It is not a way of intimidating

unwilling member states, or of permitting an avant-garde to detach itself from the rest, but an opportunity to contribute to the problem-solving capacity and the dynamism of the whole of Europe. It is not designed to lead to the formation of competing cores, which may well promote the reform of actual policies, though the net result would be to sow the seeds of an internal division of Europe. Finally, it is open-ended by design, so that it will be possible for other states to participate. However, the desire for deeper integration may for a long time to come lead to a Europe of different speeds, since the need for openness must not be permitted to neutralize the accrued benefits of differentiation.

The problems confronting the EU cannot be solved efficiently if the possibilities of differentiated integration as a formative principle of the larger Europe are simply ignored. Such an inability to take action will lead to inertia and to erosion from within. The idea of the political unity of Europe will lose its cohesive power. In this way the European Union will descend to the level of a de luxe free trade area.

If differentiation is construed in this way, then Europe will continue to be governable even if it has 30 or more member states. Member states which are both willing and able to work together can thus deepen their cooperation in areas such as economic, social, domestic or defence policy, and thus pave the way for greater integration.(11) The goal of a political union remains in place, though it will now be approached with the help of differentiated integration.

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