

**ENLARGEMENT OF THE UNION:
THREAT OR PROMISE?**

Geoffrey HARRIS

Secretariat
European Parliament

B-1049 BRUSSELS
Belgium
Tel. 284 3608
Fax. 230 1214

This paper was prepared for presentation to the conference of the European Community Studies Association held in Seattle on 29-31 May 1997.

The views expressed by the author are strictly personal.

The fact that in Europe today the question posed in the title of this paper is being posed at all is, in itself, deeply significant, especially for those who consider enlargement as historically desirable or inevitable. It is, however, a question which has to be posed, and posed to all those involved in the process of seeking or preparing for the enlargement of the E.U. The answer to the question seems obvious to most of those who feel concerned by this issue even if their answers do in fact differ considerably. It is also the case that although at an institutional level preparation for enlargement is widely recognized as one of the principal tasks facing the EU, little public debate has occurred on this issue and what debate there has been, has been initiated by political leaders, inside and outside the EU, primarily concerned with their own national political agendas. The enlargement issue is part of a number of interlocking challenges facing the Union and the answer to the question as to whether it is a threat or a promise depends on where, when and to whom the question is put.

It is worth recalling that it was the continent's leading Eurosceptic, Margaret Thatcher, who, as long ago as 1988, started emphasizing that Prague, Budapest and Warsaw were as much part of Europe as London or Paris. She did so at a time when the collapse of the USSR and the bloc system in Europe was not expected and she did so as part of an effort to slow down the efforts of President Delors and others already pressing for a deepening of the process of European integration in the direction of Economic and Monetary Union. Nearly a decade later, Mrs Thatcher now has her place in history and her economic policies are now widely followed throughout Europe. In the former communist countries she had for a time the status of a political hero. On the other hand, her views on European integration have hardly any support in the former communist countries.

This confirms that views about enlargement vary depending on where and when in Europe they are expressed. In the countries of Central and Eastern Europe accession to the European Union is not

just the official policy of almost all political parties, it is widely supported in public opinion. There are not many Eurosceptic voters in Europe outside the European Union itself where the institutions and policies of the EU are facing a growing challenge. The signs of this challenge are apparent, not just from public opinion polls on institutional matters but increasingly it seems that the main objectives of the Union at the present time, namely, institutional reform and, in particular, the creation of a Single Currency, have little public support. Moreover, leading figures in the Union are insisting that if those objectives are not met the enlargement process, which has already begun, cannot go much further.

This is not the place to rehearse again the arguments as to whether deepening and widening of the Union are contradictory or complementary processes but in analysing the motives and consequences of those at present guiding the preparations for enlargement, it does seem that there is at least a danger that by combining a series of possibly contradictory objectives, by working on the basis of timetables rather than objectives and by intentionally avoiding the clarification of political goals, the Union risks failing to achieve any of its objectives.

One of the most remarkable sounds of alarm bells ringing has come from the unexpected source of George Soros, who in a recent article added his voice to those fearing that an attempt to revise the Maastricht Treaty so soon after it was only narrowly accepted in many EU countries is creating a situation in which "dissatisfaction with the Union has turned to alienation". As the Renault workers take to the streets of Brussels and Paris and the extreme right strengthens its base in French politics his fears seems only too justified as he predicts that "people will direct all their anger and resentment over unemployment at the single currency. There may well be a political revolt - particularly in

France, notorious for such rebellions - and it would likely take a nationalistic, anti-European direction"¹.

As the Union's crisis of confidence continues there is a distinct danger that this internal challenge will have serious implications for the whole continent. The Albanian crisis of early 1997, coming at a time of intense work in the Intergovernmental Conference had an eerie similarity to the events of late 1991 when EU foreign ministers were so busy rushing to meet the deadline of negotiations on a new Treaty that they had too little time to devote to a major threat to peace and security in Europe. This time around, the consequences could be that internal problems will lead to a delay in facing up to the urgency of maintaining stability on the continent through the EU enlargement process. Negotiations on EU accession are certain now to begin after the NATO enlargement process has already been initiated, but as Soros points out the IGC and NATO expansion, justifiable and necessary as they are, do not deal with the central problems of the new Europe, namely political integration and economic prosperity. Soros blames the "bureaucrats", arguing that since the fall of the Berlin Wall, the Community, now the Union, has been trapped in a "vicious circle of bureaucratic rigidity and public dissatisfaction". Here his argument ignores the reality that it is politicians, not institutional mechanisms who make decisions and within the European Union it is the European Council, the top political leaders of the Member States who have to take responsibility for their actions whilst the other institutions, which Soros savages, the Commission and the European Parliament, do not have the power to do so.

The Yugoslav crisis provided the confirmation that, in the early 1990's, in spite of decades of political integration, so long as Member States act on the basis of diverging interests their collective "efforts"

¹ George Soros: Can 'Europe' be saved?, Foreign Affairs Vol. 75 No. 5, p. 10

are bound to lead to inconsistent and inadequate policies. On the question of EU enlargement whilst all states are committed to the same goals their strategies and objectives are quite different. Great Britain favours enlargement but resists deepening. Germany at a governmental and parliamentary level favours both, but does not seem to have much reliable public support for either. France has been encouraging some of the EU's neighbours to expect early accession without preparing domestic public opinion for the institutional reform and monetary integration which are meant to precede enlargement.

In Central and Eastern Europe there is a widespread conception of the EU as an anchor of political, economic and financial stability but there must be questions as to the durability of this pro-European consensus to the east of the EU. The elites in these countries are perhaps in danger of repeating the errors of western European leaders who, having become so used to the "permissive consensus" in favour of integration, are not prepared to act to head off possible challenges to these goals or to accept that, it is inevitable and indeed healthy in any democracy that, the goals of an elite be at least questioned by public opinion at large. If one looks at these issues in terms of threats and promises it seems quite natural that people should ask why they should join the EU. The arguments in favour of political stability, safeguarding the achievement of democracy and ending regional conflicts are indeed overwhelming but the economic and social consequences of adjusting to EU norms could be just as controversial in Central and Eastern Europe as, quite predictably, the need to respect the Maastricht criteria for E.M.U. has become inside the EU itself.

One of the assumed secrets of EU negotiations has even been discovered by the negotiators on behalf of countries seeking accession. The apparent usefulness of deadlines. On the basis of experience it is often argued that the existence of such deadlines forces the timely taking of decisions. Central and

Eastern European leaders will therefore insist that the so-called Madrid timetable which should lead up to accession negotiations beginning early in 1998 must be respected. There is therefore now at work a kind of ratchet mechanism linking the IGC, the EMU and enlargement negotiations and in fact putting negotiators under great pressure to produce results on time. The social consequences of decisions taken, the reaction of public opinion and the need to deal with unexpected events are considered of almost secondary importance. It is, of course, the case that the Union cannot start again from scratch however appealing such an idea might seem but its leaders should, at least, be careful to avoid what most politicians are normally extremely skilful at doing, namely becoming boxed in a corner from which any way out will be unattractive. When President Chirac or Chancellor Kohl give the impression, for example, that EU membership for Poland and Hungary could be only three or four years away they are in danger of putting impossible pressures on themselves to produce results.

In any political process of this kind structures and timetables must play their part but the unwillingness to look at issues, such as enlargement, in terms of different national and sectoral interests seems to rest on the assumption that political will can provide, by itself, a kind of magic solution to all problems. Too much political will and too little willingness to openly face the social and economic consequences of decisions to be taken risk deepening the Union's crisis of credibility and extending it to the whole continent.

The way in which enlargement has moved to the top of the Union's agenda is instructive and perhaps provides an antidote to the concerns expressed above. It is indeed remarkable that during Europe's last "annus horribilis" in 1992, following various institutional political and monetary crises the European Council was able to make decisions which did in fact set in train the process of

enlargement. Even at the height of the "Maastricht" crisis following the Danish "no" vote, there were significant signs that the process of European unification would go on. In Lisbon at the end of June 1992 the European Council opened up the road to enlargement of the Community. They did so on the basis of a report from the Commission which reflected the inevitable concern that "enlargement of the Community must not be at the expense of weakening"¹. The Commission echoed the founding fathers' preference for vagueness as to the geographical limits of integration arguing that it "is neither possible nor opportune to establish now the frontiers of the European Union, whose contours will be shaped over many years to come." The Commission did, however, set out some basic criteria to be applied to various countries' applications for membership: acceptance of democracy and human rights. Applicants acceptance of the "Community system" and their ability to implement it. It was pointed out that the obligations of EC membership "presuppose a functioning and competitive market economy, and an adequate legal and administrative framework in the public and private sector." These fairly obvious considerations quickly opened the Community up to fourteen applications for membership, adding to those from Cyprus, Malta and Turkey which were already on the table.

The Commission also accepted the European Parliament's concern that a larger Community could only progress with a more timely, open and democratic decision-making process. It broadly accepted that although the timetable would vary for the various groups of applicants or possible applicants "enlargement is a challenge which the Community cannot refuse."

¹ Commission of the E.C. "Europe and the Challenge of Enlargement", Brussels 24.6.1992

As the Economist¹ pointed out at the time, discussions in the Community prior to enlargement have been characterised by "worries that it would enfeeble itself" whilst in reality "enlargement always led in the end to the Commission, Council and Parliament getting more power than they had before." It was, however, the case that whilst "history may be about to repeat itself ... the scale of the gamble is of a different order this time." The caution about the institutional consequences of enlargement as set out in the Commission's text may well have been a result of the criticism of President Delors for having raised these matters in public in a way which created a fear in Denmark, just before their first referendum on Maastricht, that the smaller countries' voice in a larger EC would be significantly weaker, and even the use of their language in the official work of the institutions might be reduced. Neill Nugent has suggested more precisely that the context of the Commission's document

"was clearly influenced by the Danish referendum in that whereas prior to the referendum hints and leaks from the Commission had indicated that a large dose of further institutional deepening would be proposed as being necessary to accompany new accessions, in the event, the report stated that "in the shorter term, for the accession of a limited number of new members, the existing institutional system could be adapted"².

This is a remarkable example of how the emergence of public opinion as an influence on European integration has rapidly and profoundly influenced the whole process and increased pressure for the concurrent achievement of both a wider and a deeper Union. The continuing momentum of this process was confirmed in the fact that in Lisbon on 27 June 1992, the European Council broadly

¹ "On the Way to the Forum." Economist 11.7.1992

² The Deepening and Widening of the E.C.: Recent Evolution, Maastricht and Beyond". Neill Nugent, Journal of Common Market Studies, Vol 30, No. 39/92, p. 326

accepted the Commission's report and looked forward to early and successful accession negotiations with those EFTA countries seeking to join. The opening of negotiations was, however, defined as conditional on conclusion of discussions on the 1993-1997 Financial Perspective and the ratification of the Maastricht Treaty. The difference between appearance and reality emerges from Nugent's premature conclusion that "the Danish referendum has thus seemingly not only put a brake on deepening but has probably also delayed widening". He was, however, wise enough to add that "there are simply too many shifting factors to be able to make confident predictions about the evolution of the Community".

The momentum was kept up when the European Council met in Edinburgh in December 1992. After months of seething crisis as France voted, the money markets trembled and the British Government became ensnared in parliamentary wrangling, the Heads of State and Government might have been forgiven for failing on this occasion to make any significant, strategic decisions. In fact, they not only settled the row over the financing of the E.C, found a formula for extra opt-outs to enable Denmark to try again for ratification of the Maastricht Treaty, and settled (unsatisfactorily perhaps) the long-running wrangle over the seat of the European Parliament and other Community bodies, they also agreed to open immediate negotiations for enlargement with the EFTA applicants with a view to enlargement at the beginning of 1995. Moreover, they accepted another Commission document which, recalling the various "Europe Agreements" with the countries of Central and Eastern Europe, noted that "the Community's partners' ultimate objective is to accede to the Community". The Commission proposed, and the European Council confirmed, that it "accepts the goal of eventual membership in the European Union for the countries of central and eastern Europe when they are able to satisfy the conditions required".

These two decisions would appear to confirm the victory for what the Economist described as "the enthusiasts for enlargement," those who consider that the accession of the relatively rich EFTA countries will help in the quest for economic and monetary union and provide extra revenue for the Community budget. Since the first phase of enlargement would precede the 1996 Intergovernmental Conference it was already clear that the problems that would flow from enlargement in terms of institutions and decision-making would have to be dealt with in a pragmatic fashion. Even the European Parliament voted to accept the Edinburgh meeting's timetable for early enlargement in spite of a minority of members who wished to maintain the threat to veto enlargement (using the Parliament's power under the new Article 0 of the Treaty of Maastricht) in order to extract a prior commitment from Member States on institutional reform.

By the end of 1992 the EC and its twelve Member States had begun a process of very substantial enlargement. A decision which has never been challenged. The first enlargement, itself, the product of the new political situation in Europe brought in its train increased momentum towards a second enlargement, as many of the leaders of the EFTA candidates committed themselves early on to defending the principle of accession at least for their neighbours i.e. the Baltic States for the Scandinavians and the Central European States for Austria.

The speeding up of the process was confirmed when the European Council met in Copenhagen in June 1993 and for the first time explicitly accepted that the various Europe Agreements with the Central and East European countries should be considered as paving the way for full EU membership. The following year saw the publication by the Commission of a White Paper explaining what integration to the EU internal market would require of the candidate countries and the adoption by the European Council of a "pre-accession strategy" designed to help prepare the countries

concerned for EU membership, in particular through a structured dialogue and more effective financial assistance programmes. EU membership was transformed in the space of two years from an aspiration of the CEEC's to a common objective of both the EU and the candidate countries. As a recent study of the Finnish Business and Policy Studies Centre put it

"... there is a reasonable consensus about the need for the EU to enlarge towards the east. EU enlargement is not therefore an open-ended question. On the contrary, the process has a preconceived outcome, i.e. full membership of certain states, with everyone now feverishly thinking of ways in which that aim might be achieved.

Initial enthusiasm has given way to realism. Questions remaining wide open and unanswered are: When will those countries join? How will they join? And who will join at what stage? The prevailing thinking now is "Yes, but ..."¹.

The fact that this is the case would suggest that within the EU it is assumed that the benefits of enlargement will outweigh any costs or other negative consequences, or, to put it another way, the promises outweigh the threats. If this is the case inside the EU we can assume that within the CEEC's the balance is judged to be even more favourable, indeed, overwhelmingly so.

One set of advantages concerns the integration project as a political enterprise. Having more members and eventually encompassing almost all European states and peoples will strengthen the credibility of a Union which, whilst it is certainly European, cannot yet claim to represent all Europe.

¹ More Members for the EU? Centre for Finnish Business and Policy Studies (EVA), January 1997, p. 7

Mrs Thatcher's jibe was a valid one, and enlargement will therefore remove this otherwise serious criticism that a genuinely European Union cannot represent only half of Europe.

A larger Union could also speak with a louder and more effective voice in world affairs, influencing both political developments and economic developments.

The building of a new Union is also quite clearly a major contribution to peace. Already through the burial of the traditionally catastrophic and murderous rivalry between European states and ethnic groups, the Union has achieved what would have seemed unimaginable to previous generations. This is both a contribution to peace and security and an encouraging example to others of the benefits of peaceful interdependence and integration. Individual European states' security is quite clearly enhanced by political integration and it is precisely for this reason that the US strongly encourages the process of European integration and unification.

The enlargement process not only provides a strong discouragement to any political, social or economic force in Europe considering undermining democracy in any country or the security of a neighbouring country it actually provides a huge democratic incentive to avoid problems regarding human and civil rights.

It is also the case that a larger Union will at least potentially be in a stronger position to deal with "new" political threats such as international crime and environmental damage.

Those who thought that by now all Europeans would be looking back nostalgically to the Cold War as a period of peace and tranquillity and that Germany would have achieved political and economic

dominance of Europe have been proved wrong precisely because their approach to international relations virtually overlooked the novelty and success of the European integration process. Integration and interdependence discourage and make intrinsically impossible single power dominance either of Europe as a whole or indeed a part of Europe. The very absence of a single centre of power in the EU means that any attempt to achieve this kind of dominance is doomed to failure. If Germany for example really tried to force France or others against their own will into a single currency, resistance would be inevitable. A similar interplay of forces means that if Slovakia persists in its apparent indifference to normal standards of parliamentary democracy or fails to resolve its problem with the Hungarian minority its chance of joining the EU could be severely impaired. Integration virtually excludes certain forms of traditional behaviour by E.U. Member States inside or outside their frontiers.

Similarly, in the economic field the success of economic reform which is part of the preparation for EU accession will create not only huge new markets on the doorstep of the current EU whose Member States face increasing competition in world trade, but will also provide attractive prospects for western European investors. Enlargement can therefore also be seen as a continuation of Jacques Delors' efforts to develop a stronger and more competitive European economy.

As the Brussels newspaper European Voice put it, the EU has every reason to embrace the CEEC countries out of a clearly identifiable sense of self interest:

"Their entry into the internal market will offer western companies greater and simpler access to burgeoning markets which eclipse sluggish growth at home. And the political stability which comes with EU membership should (politicians hope) provide potential investors with the long-

term security they need, shoring up the still fragile democracies against any return to Communism. The region offers both cheap production centres for sales (usually of base products) back to western Europe, Russia and the Middle East, and also a rapidly growing domestic demand for infrastructural development.

As central and eastern Europeans cry out for all the trappings of the 20th century dream - a house, a car and a television - market opportunities in information technology and consumer goods are beginning to emerge in abundance.

In fact, many of the applicant countries are embracing free markets and liberal economics with a vigour that puts the EU itself to shame".¹

The contradictory almost half-hearted approach by the EU is confirmed in the same article which quotes the President of ABB Europe as considering that

"Eastern Europe is more open to western Europe than western Europe is to the East".

A similarly contradictory approach is apparent if one looks at how the debate on institutional reform has been influenced by the new political situation in Europe. Even those who at the end of the 1980's seemed insistent on continuing with the original integration agenda, having at first underestimated the consequences of the 1989 revolution, soon came to see the pressure for enlargement as an opportunity to win battles for political integration, an ambition which at first seemed in danger of being washed away in the tide of post-Maastricht disillusionment. As Andrew Duff has put it

¹ Article by Mark Turner in the European Voice, 13-19 March 1997, pp. 18-19

"Against this background of historic opportunity, the original agenda of the 1996 Intergovernmental Conference could appear parochial. Enlargement was a second thought, but a sound one - extraneous to the original purpose of the IGC, but recognised as having a potentially crucial influence on the outcome. For a time, indeed, enlarging the Union became the major strategic imperative driving the preparations for the IGC. Regrettably, this sense of urgency has receded. We hope it returns; because without a successful IGC it will be difficult and risky to enlarge the Union; and without the pressure of enlargement it will hardly be possible to make the IGC succeed".¹

In this context, he adds "the idea of enlargement seems to command political support although some of this will be superficial". It is, also, not only the integrationists who see in enlargement the promise of a long-awaited breakthrough to political union, there are others waiting to use the new situation to re-fight old battles in a long war, such as those seeking reform of the Common Agricultural Policy.

As for those who assumed that the pressure for enlargement promised the final defeat of the "federalists", they played their cards with such zeal that the tables were soon turned. Whether or not the 1996 IGC resolves all institutional questions remains to be seen; it is, however, clear that without at least some progress towards a more democratic and efficient EU, enlargement will not occur. This is not just because the European Parliament, which must ratify the accession of each new state to the EU insists on this and has the support of the Commission and many Member States on the matter, it is also because countries seeking to join the Union hope to play their part in the process of political integration and do not seek to undermine it.

¹ Andrew Duff: *Reforming the European Union*, Federal Trust 1997, p. 100

As the reality of life in a 25 member Union dawns on countries which have just regained the right to determine their own destinies (or in some cases finally achieved or regained statehood itself) the usual arguments about threats to sovereignty will be heard there too. Since, however, their principal aim is to achieve the security and political stability associated with EU membership it is unlikely that they would have difficulty in accepting the "loss" of sovereignty that EU membership inevitably implies. Certainly whilst all the countries seeking EU membership have been nervous about delays in the work of the IGC which could delay the start of their accession negotiations, none of them has questioned the need for institutional reforms as part of the preparation for enlargement.

Peace, prosperity and stability, these are the promises associated with enlargement. These are promises based on the experience of the success of the process of European integration. It is, however, also the case that the new geopolitical situation in Europe has occurred as a result of people taking control of political events in a revolutionary movement which destroyed attempts at top-down reform in the former Communist bloc. In turn the changing context of what was hitherto a process of west European integration has contributed to a challenge to the internal legitimacy of the Union and a fear of the consequences of further integration which contrasts dramatically with the hopes which characterise public opinion in the various candidate countries. Public opinion as reflected in the various public opinion surveys is, in Central and Eastern Europe, overwhelmingly positive towards EU accession even if the degree of support varies. Much less enthusiasm is apparent amongst the public inside the EU even though the variations are much greater. It is also worth noting that whilst EU leaders make bold speeches on visits to the capitals of candidate countries they have not yet begun to make similar speeches at home. This contrasts again with the situation in Central and Easter Europe where the imperative of enlargement is constantly emphasised as part of the process of reform and leaders who fail to get encouragement from the west about their

EU prospects risk losing domestic support. If all these countries see themselves as on their way back to Europe, failure to achieve this goal would destabilise their domestic situation. For the time being there is no such premium available, at least on support for enlargement, to the leaders of the EU Member States. Inevitably this issue is perceived differently in different countries, for example in Spain as opposed to Sweden, but if one looks at the threats which are perceived as going with the promises of enlargement it could be argued that the sooner a debate begins inside the EU and its Member States on the consequences of enlargement the more likely it will be that a new Maastricht type debacle will be avoided. If this is not the case it is most likely that the public debate, when it does finally open, will concentrate on what are perceived as the numerous potential negative consequences of enlargement.

In the past the previous four enlargements of the EC, which has grown from 6 to 15 members in 22 years, have not caused great controversy. The prospective enlargement now foreseen is, however, more substantial than any of the previous enlargements. For example accession of the CEEC's and Cyprus would lead to population expansion of over 125 million and would bring in countries whose average GDP is around one third of the average of the current 15 Member States of the EU. It will bring in countries which, for 40 years, were isolated from the mainstream of western European life both in terms of parliamentary democracy and the market economy. For no fault of their own these countries are very little known to most west Europeans and as we shall see are often associated with the inevitably irrational fears of the unknown. Whilst it would be wrong to use any of these concerns to postpone enlargement indefinitely it is also clear that this enlargement would represent a radical change in the content and meaning of the Union and is therefore much more than a continuation of the previous incremental process of enlargement. As this enlargement will also require institutional change to make it feasible and acceptable the result is that the citizens of the Union are requested

to make a substantial act of faith in a structure which they have come to mistrust and to do so as an expression of solidarity with nations and peoples of which they have little knowledge or feelings of spontaneous affinity.

It is also the case that each time the EC enlarged in the past membership negotiations were more complicated and comprehensive than on the previous occasions. This is precisely because enlargement has, in fact, brought deepening in its train. As the recent Finnish study referred to above puts it:

"The UK and Denmark, in their time, only joined a common market. Spain and Portugal had to commit themselves to integration that had gone one step further, as the common market had developed into a single market. And finally, when Finland, Sweden and Austria negotiated their membership, the Union had developed into a political, economic and monetary union. The current applicants are applying for membership of something even more integrated, in other words something that will be determined by whatever the outcome of the Intergovernmental Conference will be. Contrary to previous entrants, they do not even know what kind of a union they will be joining.

The candidates are a very heterogeneous group. True, heterogeneity has been present in previous waves of enlargement, too, though never quite to this extent, as the number of new members joining the Union at any one time has always been smaller.

[Another] difference has to do with the way the candidates relate to a supranational system. Union members have a long tradition of good experiences from a string of national solutions,

while the applicants have bad experiences from a supranational system. They have fresh memories of integration which did not allow them to have a say in things. Understandably, therefore, they are all supporters of intergovernmental cooperation. While western Europe is reconsidering the role and global significance of national states, the candidate countries are in the process of creating national states"¹.

The enormity of this enlargement also places an unprecedented burden on the administrative machine in Brussels. Separate accession negotiations with 11 countries are difficult to imagine given that each negotiation is conducted, by definition, separately and on the EU side ministers are expected to attend. According to Peter Ludlow of Brussels' Centre for European Policy Studies this could mean EU foreign ministers spending up to one week each month in meetings with each candidate in turn, this would place an enormous extra responsibility on the Council Presidency as well as bringing the risk that there could be no time for other equally important items of Union business. These practical issues cannot be allowed to force policy decisions in a particular direction but it would be short-sighted to underestimate this kind of threat to the working of the Union. The solution may be in varying the intensity of negotiations according to each country's state of readiness.

Leaving aside these aspects of the pre-accession phase it is equally obvious that without institutional reform an enlarged Union would be threatened with institutional paralysis. It is for this reason that players in both teams, the EU and the candidate countries have to accept some changes to the rules of the game before they can all join in. At a minimum, it is, however, clear that there is a serious danger that in the decade ahead so much of the Union's collective energy will be spent on integrating

¹ EVA study op. cit. pp. 52-53

new members that it will have neither the time, the resources nor the ability to coherently respond to other challenges.

A further possible threat concerns the internal consistency of the Union as a body with its own legal rules which must be enacted and implemented equally in all Member States. The 1996 Bertelsmann Report¹ on the preparations in Central and Eastern Europe for EU membership points out that the necessary approximation of legislation is making only slow progress, adding that it is impossible for enlargement to take place without acceptance of the "acquis communautaire". All the CEEC states will have to make efforts to speed up this process. The nature of this threat to the Union must be seen alongside the relative weakness of public administration in all these countries. It will not be enough just to enact legislation as part of the process of approximation; it will also be necessary for future member states to implement Union law. The legal system must also be in a position to handle challenges to national law based on EU law. Without this Union membership would have little real meaning and would confirm fears inside the EU that enlargement could lead to environmental or social "dumping" if producers in new Member States were to have, in effect an "unfair" advantage in international trade as a result of lower production costs than their competitors in countries with stricter regulations. Matters of this kind will lie at the heart of accession negotiations and whilst the candidate countries cannot be asked to do the impossible in a short period of time they will have to accept the gradual abandonment of a trading advantage resulting from lower social and environmental costs. It is also evident that EU negotiators will come under pressure from domestic constituencies affected directly by such matters. The perceived threat to sectional interests will run counter to political and security objectives, creating what a study by the Sussex European Institute

¹ Central and Eastern Europe on the way into the European Union, Werner Weidenfeld (ed.), Bertelsmann Foundation Publishers, Gütersloh 1996

describes as "a tension between the logic of broader political and economic strategies and the political economy of sectional interests"¹.

In terms of the perceived threats associated with EU enlargement it is inevitable that direct financial and budgetary costs will also be mentioned. Some of the adjustment costs to EU producers which occur as CEEC producers push into their markets are a natural consequence of the opening of markets brought about by the Europe Agreements. Given the limited concessions made by the EU in terms of opening up its own market to the CEEC's it is clear that EU enlargement would cause potential problems on a much greater scale. Costs will also be inevitable to the EU budget although, of course, the size of these costs depends on which countries actually join, when they join and on what terms they join. As a resolution adopted by the European Parliament in December 1996 put it

"... between the opening of the negotiations and their completion and between the last ratification and the point at which the new Member States are fully integrated into Community policy, taking into account transition periods, fundamental changes will have occurred in the general economic situation both in the Union and in the CEEC's themselves, but that the extent to which the economy is likely to have evolved is unpredictable, so that at this stage any financial projection must, to say the least, be conjectural"².

¹ Sussex European Institute: the European Union and Central and Eastern Europe, SEI Working Paper no. 15 (1996) p. 15

² Report of the European Parliament on the financial consequences of enlargement, December 1996, paragraph 30. Minutes of the European Parliament 12.12.96 (point 5)

A number of studies have been made on this subject concerning structural funds, own resources, and the C.A.P. There is little point in rehearsing the various arguments again here. Indeed precisely because the EU financial perspective assumes no growth in the size of the budget as (an albeit small) proportion of public expenditure it is clear that enlargement will have to take place within this parameter. In that sense the concerns expressed on this subject have already led to a reduction in the importance of this perceived "threat" amongst the consequences of enlargement. This does not mean that negotiations on how the member states find their place in relation to the C.A.P. and the structural funds, and indeed the own resources system (as they will all be on the external frontier of the EU), will be easy, it does mean that the advantages of making a success of the pre-accession phase are all the more apparent. It is also worth adding that the structural funds existing for member states require matching funds to be provided by the recipient states, whereas the pre-accession assistance to the CEECs provided by PHARE is a gift. It is by no means clear that the CEEC states would be able to provide matching funds in addition to regional and social fund aid coming from the EU budget. It is this type of political reality which confirms that the financial consequences are not such an obstacle as they appeared when the possibility of enlargement was first mentioned.

For this reason it is perhaps unnecessary to question the analysis of so-called "Euroscrooges" who would challenge enlargement for financial reasons and to suggest that they are people who know the price of everything and the value of nothing. It is, however, worth pointing out that there could be enormous costs resulting from a failure to enlarge if this were to lead to a slowdown in economic reform or a new period of international tension. Peace and stability in Europe is already saving Member States a lot of money and enlargement can therefore be seen as a major contribution, a literally incalculable contribution, to prosperity and peace in Europe. The danger here is of missing

the point of EU policy as is often the case with British critics of the C.A.P. As Robert Bidelux has put it:

"The potential problems have been grossly exaggerated by alarmists, some of whom want either to scrap or to 're-nationalize' EU farm support, which they regard as nothing more than a very costly and corrupt system of 'outdoor relief' for ne'er-do-well farmers. The more blinkered critics fail to grasp that the CAP was an essential component of the political contract that created the EEC, not just to placate rural constituencies and apoplectic Frenchmen, but also in order to banish *national* agricultural protectionism, which, if it were to return in the guise of 're-nationalization' of farm support, could precipitate tit-for-tat *national* protectionism in other sectors and quickly unravel the great achievements of the Common Market and the Single European Market. Thus the CAP is not merely a system of farm support, but a fee that we pay for the avoidance of any repetition of the beggar-my-neighbour trade wars that bedevilled interwar Europe, politically as well as economically. At a cost of less than 0.6 per cent of the EU's GDP, it is worth every penny"¹.

A more serious threat concerns the social consequences which flow directly and indirectly from EU enlargement. Rising unemployment in the CEEC countries as a consequence of economic reform and preparation for the EU Internal Market, a perception of a threat to jobs inside the EU are part of the same process whereby Europe as a whole is becoming, for the first time, in decades a real open single market. In this context the demonstrations against Renault restructuring plans which are leading to unemployment in France and Belgium and Polish workers demonstrations against the

¹ European Integration and Disintegration: East and West. Bidelux and Taylor (eds.) Routledge 1996, p. 245

Gdansk shipyard closures can be seen as part of a real political problem which could strengthen the internal challenge both to the EU's plans for EMU and enlargement to the East.

It is also necessary to mention another perceived threat, namely that of mass migration from East to Western Europe. In the inevitable domestic debate inside the EU about enlargement fears have and will continue to be expressed with regard to the possibility that enlargement and the free movement of labour will flood the current EU labour market with cheap unskilled workers. The experience of the southern enlargement provides no confirmation of these fears, indeed it could be argued more convincingly that the prospect of EU membership is raising levels of optimism about the future in CEEC countries where economic reform is already bearing substantial fruit. Failure to reform would be all the more likely, as for example in Bulgaria and Albania, to encourage emigration. It is precisely in order to head off threats of this kind that preparation for EU enlargement is the more practical policy. Moreover, there is every likelihood that the economic advantages of accession will encourage inward investment, and avoid a possible "brain drain".

One threat which is certainly real concerns the administration of the EU and in particular the burgeoning costs of translation of texts and interpretation of speeches. This will provide a real problem for the bureaucracy and there are no easy or low cost solutions. EU law is national law and has by definition to be accessible to EU citizens in their own languages. MEPs represent citizens and are therefore obliged, at least in public debate, to speak the language of the people they represent. It may be possible to limit some of these extra costs but it will not be possible to eliminate them.

Returning to the fundamental issues of peace and security one final possible negative consequence of enlargement has to be mentioned: the danger of division between EU members and non-members

to the East. It is worth mentioning that in Helsinki in March 1997 President Yeltsin felt it appropriate at his meeting with US President Bill Clinton to mention the possibility of Russia applying for EU membership. Russia has not challenged the prospects for the EU enlargement as it has done with regard to the enlargement of NATO. If Russia now carries out real economic reform and does become a genuine partner it is by no means unimaginable that Russia like Turkey would try and press its case for EU membership. It is not clear at this stage whether that would be a threat or a promise. This is only confirmed by the contradictory signals now being sent by the EU to Turkey with regard to its own accession prospects.

In this paper Cyprus has not been mentioned substantially as the dimension of the financial or institutional consequences of its accession to the EU are much less dramatic. Its application does, however, raise in a very clear fashion the issue of new external borders. In this context Turkey is a very real problem which the EU will continue to try and handle separately from other enlargement issues. If Greece, however, brings EU relations with Turkey into the procedure with regard to the opening of accession negotiations and if Turkey were to carry out its threat to veto NATO enlargement unless it is put on the same basis as the CEECs with regard to EU enlargement, then a new situation could arise with possibly substantial negative consequences for the whole enlargement process.

This could be seen as part of one of the other threats associated with enlargement, namely the danger for the EU of being drawn into regional disputes. The EU has insisted on the resolution of such disputes and the maximisation of regional cooperation as part of the preparation for enlargement. It has also carefully avoided encouraging a race between the applicants to get into the EU ahead of one another. Romania and Hungary and, to some extent, Slovakia have understood this necessity

to avoid weakening support for their accession. The various authorities in Cyprus cannot be allowed to avoid a similar effort in order to avoid imposing a new regional conflict into the EU.

The way in which the EU, and its member states as well as the US and NATO have tried to influence developments in Cyprus merely confirms that there is still no single structure in Europe whereby countries can be brought together and obliged to resolve disputes. It is only the possibility of EU membership which provides a partial incentive to find solutions to such deeply rooted problems.

The absence of a single framework in which to develop both political security and economic prosperity in Europe explains the fragmented and sometimes contradictory responses of the EU institutions and the member states. Perceived threats and perceived promises are therefore handled differently in different contexts. Within NATO a reasonably coherent approach has been followed precisely because one country is able to exercise leadership in Europe, both East and West. The acceptability of different countries' membership applications have been, in effect, decided upon by the US, even if different European states have offered their views. President Chirac, for example, has publicly campaigned for Romania to be included in early NATO enlargement, but there has been no attempt to harmonise views in Europe on this overwhelmingly important subject in order to enable a common approach to be made at least in an attempt to provide an alternative substantial source of influence on the US.

It is partly as a result of fragmented and sometimes contradictory moves by the EU that the current situation, as the Maastricht II I.G.C. draws to a close that few Europeans are aware of the importance of decisions to be taken shortly which will have enormous significance, not just for the EU itself, for all the candidate countries, but for the future development of the whole continent.

Some commentators¹ have likened the current situation in Europe to that which pertained at the end of the Napoleonic wars when, from 1815, the Congress of Vienna attempted to provide a lasting security structure. A series of such attempts were made over the ensuing 175 years but up until now their durability has proved quite inadequate. It is therefore not an exaggeration to say that the historic opportunity now presented is one which has indeed eluded Europe for centuries. The challenge is to extend the achievements of integration and positive visions of interdependence to Europe as a whole without running into a new confrontation with Russia. This is now perfectly possible. The chances of success will, however, be profoundly influenced by the extent to which public opinion, which develops primarily at the level of each nation, feels inspired by this vision and sense of opportunity. It is, however, possible that the growing crisis of confidence within the EU will provide an inadequate basis for resolving disputes, trading off threats and promises, defining common interests and enabling progress to go ahead at a pace decided primarily by those determined to do so. In order to assess the chances of success it is necessary to examine the situation at national level.

This is essential for the simple reason that however decisive and courageous the EU proves to be, and however, skilful those involved in enlargement negotiations can be, all the next steps will have to be ratified at national level. The close connection between enlargement, institutional and political reform as well as progress towards E.M.U. means that the Union and all the countries involved now face the necessity of reinventing institutional structures and redefining national identities on a vast scale and in a relatively short period of time.

¹ Dominique Moisi: Remembrance of times past, Financial Times 23.1.1996
Daniel Vernet: La Russie, l'Europe et l'Otan, Le Monde 14.11.1996

Nowhere is this clearer than in Germany which retains with France the ability to exercise leadership even if it has no chance of imposing its views. Germany faces the typical dilemma of making concessions in terms of opening markets and free movement at a time when German people are faced with unprecedentedly high levels of unemployment and growing fears that opening up to the East will also mean rising crime and immigration. Given the success of German trade and investment in Central Europe the economic advantages do seem clearer than for other EU members, but fears of extra financial contributions to the EU do, naturally, exist. In terms of security it is also much more attractive for Germany to be at the centre of a wider Union rather than continue to occupy the frontier between eastern and western Europe. So far Germany has provided decisive support for sticking to a reasonable timetable for EU enlargement. Whether it will continue to do so will depend not only on the outcome of the IGC and the progress of EMU but more importantly on the outcome of the public debate inside Germany where both within and between the main parties a debate is only now just beginning on the consequences for Germany of both deepening and widening the Union. Chancellor Kohl clearly feels that in a new century, a new generation of Germans brought up since 1945 will not automatically accept the risks entailed by continuing with either aspect of the process of European integration.

In France the strength of this challenge to the traditional pro-European consensus has been apparent since the Maastricht referendum of 1992. President Chirac has been quite outspoken in promising early EU accession to some of the CEEC states but there has been little hint yet as to how this could be made acceptable to agricultural interests which already feel that too many concessions have been made in the direction of CAP reform. The unravelling of the Cold War structures has removed France from a relatively privileged political and military position in Europe. In spite of a great deal of discussion about France's own national identity "crisis" and indeed a growing challenge from an

anti-European extreme right, the main parties have not, in fact, abandoned the pro-European consensus or questioned the need to follow a broadly similar approach to European integration to that of Germany. Declining enthusiasm in Germany for more political integration, particularly through stronger EU institutions may facilitate this.

Britain's enthusiasm for enlargement also cuts across party lines and indeed the 1997 General Election has revealed only differences of emphasis between the two main parties on matters of European integration. The problematic aspect of this is that it is not clear whether Britain is prepared to contribute towards the meeting of the EU's conditions for its own preparedness for enlargement. Were Britain to be responsible for any substantial delay in the IGC this would remove an opportunity for her to provide some real leadership in the enlargement process. Again the fact that, for example, UK accession to EMU will require a national referendum confirms how strongly domestic politics will dictate the pace of European integration. Moreover, if Britain were to encourage the EU to show the flexibility necessary to integrate new countries into the internal market, the CAP and the EU budget, it cannot expect to do so without first showing that it too is ready with a new strategy for the new political situation in Europe.

As we have seen the new member states which joined in 1995 are well aware that their own accession was part of the process of redefining Europe in the post Cold War era. Amongst the original founder members the Benelux countries also support enlargement but will also support the view that a meaningful outcome of the IGC, coupled with progress on EMU must be part of the preparations for enlargement. Italy and Spain adopt a similar approach although, of course, along with Portugal, Ireland and Greece, they will want to see what enlargement will mean in terms of their own share of the EU structural funds. Once again the trade off between minimising threats and

maximising the promises of enlargement will require enormous skills of political horse-trading and explanation to public opinion.

There are, in fact, within the EU, at least fifteen attitudes to EU enlargement defined by different views of the objectives of the European integration process and inevitably different concrete national interests. For this reason it is all the more remarkable that a broad consensus has emerged around the Madrid timetable and the pre-accession strategy. The only real danger is that of "decision making overload" as some ministers feel that they face too many negotiations and decisions on too many matters (institutions, finances, enlargement, NATO, etc.) in too short a period of time.

Amongst the candidate countries there are also 11 different national political realities and public opinions which have to be respected. The absence of Malta from this group merely proves the point that European integration requires national support. It is, however, the case that the next enlargement will not have taken place before the next general election in Malta and it is therefore conceivable that Malta will be back on the train before it has moved much further forward.

All the 11 countries now considered for accession will not join at the same time. The opening of accession negotiations will be an important part of the symbolic aspects of the enlargement process but even in advance of the Commission's opinions on the CEEC applications it is clear that some countries will be easier to integrate than others and that the challenge will be to maintain the momentum as far as all applicants are concerned. Reasonably timed accession negotiations for three or four applicants would in fact provide this momentum, illustrating that adequate preparations can lead to accession and that the EU machine will not seize up as a result of involvement in numerous, lengthy and separate accession negotiations. Each candidate country has its own problems with the

requirements of accession but, unless negotiations drag on inexorably, there is no reason to assume any reversal of the positive public debate to integration apparent in all the countries. External security, access to EU markets and the stabilisation of democracy are sufficiently important promises associated with accession to the EU, to make perceived threats of an economic or constitutional nature relatively insignificant. It will, however, be necessary for a wider public debate on the meaning and consequences of EU membership to take place. In the stronger candidate countries it is already the case that the support for EU accession is less overwhelming than in say, Bulgaria and Romania. If, however, the governments of countries seeking accession can present a successful outcome to their accession negotiations it is unlikely that they will face a major domestic challenge of the kind that did occur in most of the countries joining the integration process during the last 25 years.

Given the enormity of the challenge of enlargement there may be a temptation inside the EU to play for time as if delay will reduce the dimension of the problem. It is not clear why this should be case. An over-hasty, ill-prepared enlargement is neither desirable nor likely given the numerous hurdles of negotiation and ratification that will have, in due course, to be overcome. It is, however, the case that delay would also have substantial negative consequences and costs. If the EU now decided to have second thoughts and to delay enlargement indefinitely this would cause an enormous backlash of bitterness and disillusionment. It may be that this backlash would be stronger amongst the CEEC's political elites rather than public opinion at large, but there can be little doubt that this would bring a real threat to the continuation of economic reform and even in due course the maintenance of parliamentary democracy. At this time there is little support for a regression to dictatorship but with rising unemployment, the absence of the pressure to complete the process of reform could create precisely the kind of situation which the plans for EU enlargement are designed to avoid.

Quick accession or indefinite delay are therefore both lines of action which would undermine the political credibility of the European unification process. In the post-communist countries there have inevitably been substantial "mood swings" in the years since 1989 and yet there has been a remarkable continuity in terms of economic reform, political stabilisation and a broad consensus in favour of integration into so-called Euro-Atlantic structures. Leaving aside the special situation in Albania and the former Yugoslavia, there have been none of the political disasters of the previous attempts in 1918 and 1945 to establish market economies and multiparty democracies in the region. Just as western leaders must now move to keep their promises to the CEEC countries, so the leaders of these countries should not overplay their own hands with exaggerated criticism of the EU's alleged lack of political will. A rational approach requires a genuine effort to understand the EU's own problems of coming to terms with a new and quite unexpected political reality in Europe in the 1990's.

The unexpectedness of this situation is reflected also in a kind of intellectual vacuum about how the new Europe should be defined. Rival academic theoreticians and realists who fought for years over what the integration process was really about and have now found their assumptions challenged. Automatic spill over from economic to political integration has not occurred; indeed economic integration has with EMU, created problems so great as to pose a threat to whole political edifice. Similarly, however, it is by no means obvious that a larger EU with more internal contradictions will in fact strengthen intergovernmentalism in a way which actually prevents any positive spill over.

The main difference between the dilemmas of leadership at the beginning of the 21st century as compared with the era of the Congress of Vienna is the presence of public opinion. Inside the EU there is something of a crisis of confidence reflected in public doubts about the benefits of further

integration, but it is also the case that enlarging the Union will provide a new challenge for anew generation of Europeans living in a new historic era. The EU has every reason to be more, not less, confident about its centrality in the politics of the continent, its values, its achievements and its attractiveness. The last being the reason why enlargement is an issue at all. The challenge after the IGC ends will be to define the steps which can be taken to carry the process of enlargement forward successfully, neither being discouraged by the "threats" or blinded by the "promises". The candidate countries should not be excessively frustrated at having to deal with the "moving target" of an EU in the process of redefining its working methods, its policies, as well as its aims and objectives¹. The member states should not be frightened at the consequences of the success of 40 years of integration. What all should be frightened of is what none of them expect, a new international crisis which could speed up or slow down the whole process. Enlarging the Union seems the best way of ensuring that this does not happen.

¹ Eastward Enlargement of the EU. Royal Institute of International Affairs, London 1997, p. 2