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by

Christian Lequesne

Deputy-Director,

Centre d'Études et de Recherches Internationales,

Paris, France

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Christian Lequesne

Deputy-Director, Centre d'Etudes et de Recherches Internationales,

Paris, France

Enlargement is not an unknown process in the European Union (EU). Born in 1951 with 6 member states, the EU moved to Fifteen member states in 1995. Four enlargements took place in 50 years.

On October 24-25 2002, the European Council of Brussels officially designated Ten candidates countries able to conclude negotiations at the European Council of Copenhagen in December 2002, sign Accession treaties in April 2003 in Athens and -after ratifications- be part of a first wave of accession in 2004. These countries in question are: Poland, Hungary, Czech Republic, Estonia, Lithuania, Latvia, Slovakia, Slovenia, Malta and Cyprus. Bulgaria and Romania will have to continue negotiations in order to join the EU in 2007. Regarding Turkey, the European Council of Brussels noticed the progress made by the government towards the respect of political criteria as well as regarding economic and legislative alignment, but did not recommend a concrete date for the opening of negotiations with the EU.

I. Five introductory statements regarding the current enlargement

1. Beyond the quantitative question of the number, the current enlargement process is not equivalent to the previous ones in terms of political change. It is marking the political reunification of the continent and the end of the Cold war. Contrary to some analysts who stress the fact that a EU of 25 members means the end of the original project of the Treaties of Paris and Rome, I see in this event an historical continuity. The values of peace and democracy which were at the basis of the Treaties of Paris and Rome can now be applied to the countries which had been put on the "bad" side of the Iron Curtain in 1945. The enlargement in 2004 is the confirmation of a history making change which nobody really considered feasible in the mid-1980s but for which the EC theoretically worked since its origins.

2. There is a paradox between this peaceful reunification process which takes place for 13 years in Europe and an increase of violence in the rest of the world. Europe is in a situation where, because it does not consider large scale wars possible on its territories, has sometimes problem to engage heavily in security matters in the rest of the world. European public opinions prefer that their governments spend money for welfare state rather than for military matters. This is a regular source of tension with the traditional ally of Europe, the USA, which considers Europe as unefficient and not supportive enough to fight "rog states" and new forms of terrorism which emerged after September 11. Therefore, enlargement should lead the Europeans to think more about their weaknesses in the management of global governance.

3. The enlargement process is putting on the agenda the question of solidarity within the Europeans themselves. The question of financial solidarity is fundamental. Are the current member states prepared to finance the adaptation costs of the new ones, whose economic GDP only represents 39% of the EU average, and under which conditions?

4. The enlargement means managing diversity among citizens. Some sociologists consider that 16 to 30 years will be necessary to have the same economic standards in the candidate countries than in the EU countries. Economic and social differences will remain more or less important from one candidate country to another. That means that unequal societies will have to coexist in the EU 25. Even more than in the past, policies would have to make the differences between citizens of the European polity socially acceptable. That will necessarily create fears and doubts which are reflected in the opinion polls. According to the last

"Eurobarometer" n° 57 published in October 2002, 47% of the citizens in France are against enlargement, 36% in Germany and 36% in Austria. In Austria. In the candidate countries, there are also some doubts about joining the EU. The referenda which will be organised in all the 10 candidate countries in 2003 will show that the public opinions are not unanimous in their wish to join the EU. It is particularly the case in some countries like Estonia or the Czech Republic.

5. If enlargement brings more heterogeneity, it will also require more differentiation in the building of common policies, or at least in the implementation. With enlargement, the EU has to face the challenge of institutionalising more differentiation but without creating the conditions of hegemony for the "old" or "big" member states totally unacceptable for the "small" or "new" member states.

II. Preserving the capability of the EU to act

Getting more member states into the EU means thinking about new decision making rules to preserve the capability of the EU to deliver efficient and democratic public policies.

Adapting the EU institutions to the increase of member states is not a new question; it was already at the agenda in 1995 when the EU decided to move from 12 to 15 Member states.

The Nice treaty, which will be implemented after the second Irish referendum, and, moreover, the Convention on the Future of Europe, are addressing the questions of institutional reforms.

The candidate countries are participating in the debates in the Convention which will normally produce a draft constitutional treaty in January-February 2003. The text will then be discussed again and finalised by the "Conventionals", and afterwards by an

Intergovernmental Conference. The final constitutional treaty should be implemented -after ratifications in each Member state- in 2004¹.

¹ The president of the Convention, Valéry Giscard d'Estaing, already presented to the public on October 28, 2002 a draft project which consists in the structure and chapters of the future text.

Professor Shoji will analyse in details the institutional reforms necessary to have an efficient and democratic EU with 25 member states. I will just stress what I consider the most important topics for the Convention.

1. Expansion of majority voting to matters which are still ruled by unanimity. If this expansion does not take place, each member state will use veto to block the decisions. I am not sure that the CFSP should be ruled by qualified or superqualified majority in the same manner than the other policies. I would suggest a rule like consensus minus 1 or consensus minus 2 as it is the case for OSCE.
2. We have to be more precise on what the European external policy is. As it has been stated by some other experts, I am in favor of a list in the constitutional treaty stating clearly what are the objectives of an external foreign policy, compared to what remain in the competences of the Member states. The domains of a European foreign policy should cover mostly the management of globalization (WTO, development policy, etc..) and the management of conflicts in the neighbourhood: Balkans, Caucasus, Mediterranean countries.
3. I am in favor of reinforcing a governmental representation of the EU. That means having an elected President for Europe nominated by the European Council and working with a Minister of Foreign affairs who cumulates the current positions of both the High Representative for CFSP and the Commissioner for External Relations.
4. The Convention has to make "enhanced cooperations" workable. The Economic and Monetary Union with 12 member states demonstrates that an institutionalized differentiation could work in the EU. It has the democratic advantage to respect the wish of the citizens who don't want to join a policy without closing definitely the door to a change of positions. I don't believe in a scenario, like Schauble and Lamers or Delors proposed, which stated that a "core Europe" should be set inside the enlarged EU around a limited number of countries to push the EU towards more federalism. But enlargement will encourage groups of countries to develop functional "enhanced cooperations" in the sense of the Amsterdam and Nice treaties. The conditions to realize efficient "enhanced cooperations" should be stated clearly in the constitutional treaty to make them possible in fields like defense or economic governance.

III/ Thinking about the "real" conflict: the financial package of 2006

The enlargement does not cost so much money to the EU budget and to the Member states budgets. We consider that enlargement will cost 0,15% of the EU 15 wealth. But there is a debate in the member states, especially in those who are net contributors for many years or, at the opposite, who benefit significantly from the CAP or from the structural funds, about the consequences of the enlargement for the new share of financial resources.

This issue is politically very sensitive. Legitimacy of the EU has a lot to do with the question of distribution or redistribution. What is at stake at the EU level also exists at the State level in the competition between the regions or the subnational units of territory to attract parts of the national budgets. Populist movements in the Member states or in the candidate countries use the issue of financial distribution to contest the legitimacy of EU. In Austria, Haider, the leader of the Free Party, says that Austrian taxpayers have not to support enlargement as they do now. In Poland, Lepper, the leader of the Farmers' Movement "Selfdefense" says because his country will not receive the same amounts of agricultural aids than the rest of the EU, it has not to join the EU.

In the European Council of Brussels (October 24-25, 2002), The Fifteen agreed to propose the following common negotiating positions to candidates on the financial and budgetary elements still pending:

1. The new members will benefit from "phasing in" of agricultural aids according to a scheme and timetable proposed by the Commission, that is 25 % in 2004 to 100% in 2013. This phasing-in should be accomplished in a "context of financial stability" on the basis of the 2006 expenditure.
2. The overall financial volume of commitment appropriations earmarked for the Structural Funds and the Cohesion Fund for the years 2003-2006 is said to 23 billion euros. The budget will be shared between the new member countries according to the percentages that have already been the subject of an agreement in the context of accession negotiations on "regional policy".
3. Compensation to the new net contributors was accepted. Compensation is foreseen in every case where a future member finds itself, in 2004, in a net financial situation that is less favourable than that just before its accession in 2003. It should be the case for Slovakia, Slovenia, Malta, Cyprus, and maybe Hungary.

The European Council, on the basis of a bilateral agreement reached by France and Germany only a few hours before the meeting, also agreed to set a ceiling for agricultural spending between 2007 and 2013 at the level of spending provided in 2006 (increased by 1% a year to take account of inflation). This a big step forward, if we consider the defensive position of French President Chirac on CAP and the readiness of Chancellor Schroeder of resisting to any compromise on CAP. The Franco-German deal has been seen as a "fait accompli" by Prime Minister Blair which feeled himself excluded from a Franco-German deal followed by most of the other member states.

In 2006, the principle of stability decided for the Common agricultural policy must also serve as principle in other fields of Community fundings. That must include the Structural and the Cohesion Funds and will probably lead to difficulties with Spain, Portugal, and Greece. That must also include "specific expenditure" like the budgetary correction to net contributions which the United Kingdom benefits from since 1984.

In 2006, the new financial perspectives for an EU 25 will be highly conflictual. Decision at the end will be very complex, because the coalitions and alliances will not consist simply in three groups which are the current net contributors, the current net beneficiaries and the new member states. New member states include net contributors and net beneficiaries, they include countries which would like to benefit from a conservative CAP (like Poland) and countries who have little interest for the CAP price supports (like Hungary and Slovakia).

IV./ Setting a special policy for the periphery

As conflict seems to increase everywhere in the world, peace and democracy are paradoxically progressing in the EU.

A big temptation for the EU is to enjoy its peacefull prosperity and to forget what is going on in the rest of the world, especially in its periphery.

The EU 25 has to consider the relationships with its periphery in a more systematic manner, to set a special policy for its neighbourhood.

1. The EU has to state more clearly which country can become once a member of the EU and which country cannot.

There are no objective criteria according to geography or culture to define the conditions for EU membership. The only criteria are political and economic ones. They have been institutionalised in Copenhagen in June 1993 and they have been for twelve years now important elements of domestic adaptations for the candidate countries. Nevertheless, the Copenhagen criteria do not answer the question of where the EU should stop. The limits of the EU can only be defined by a political decision. If not, how could the EU resist to demands from Morocco, Israel, or Canada, as they respect the Copenhagen criteria, to become members of the EU?

This will oblige the EU to take concrete decisions on Turkey, Russia, Belarus, Ukraine, the Caucasian countries, West Balkans (Croatia, Serbia, Bosnia, Macedonia, Albania). Does the EU want that those countries become full members once? The question should be addressed in taking into account what is going on between the EU and Turkey. For forty years now (the Treaty of Ankara was signed in 1963), the EU and Turkey are playing a cat and mouse game on enlargement which is extremely counterproductive for their relationships. If the EU does not want to have Turkey as full member, it would have been preferable to say that clearly to its governments and public opinion. The unclear relationships, made of hope and mistrust, between Turkey and the EU is creating more frustration than cohesion.

2. For the neighbours which are outside the limits fixed by the EU, the latter has to invent a political status which goes beyond the current tools of association, stability pact, cooperation agreements, etc... For countries like Turkey, Morocco, Ukraine or the Caucasian Republics, I would suggest to think about a status of partial membership, different from the full membership, but which will bring those countries with the EU to decide on questions like environment, foreign policy, or migration. Partial membership would not necessarily give the right to become a full member. The idea of a European Confederation, which was proposed by the French President Mitterrand in 1991 in an unclever manner (it included Russia and excluded the USA) could be revisited. This new setting putting together the EU and its direct periphery should be the interlocutor of the USA and Asia on global security problems and contribute effectively to the future of multilateralism.

3. The EU should continue to take the responsibility of peace-keeping operations in its periphery when necessary. The EU has developed a "savoir faire" on helping countries to build the peace after conflicts. In regions like the Balkans or Caucasus, the EU who should be able to manage alone peace keeping operations. Governments and public opinions of the candidate countries, even when they are members of NATO like Poland, Hungary and the Czech Republic, are prepared to accept that role.