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THE EUROPEAN PARADOX: WIDENING AND DEEPENING IN THE EUROPEAN UNION

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Pierre Moscovici, former French Minister for European Affairs, recently put it starkly: Europe is in a deplorable state and doing little to right itself. And this paralysis comes precisely at a moment when huge challenges lie ahead: the Constitution, enlargement, the new EU budget, a new Commission and a new EU Parliament. Moscovici called it the unbearable European paradox: “On one hand, Europe is stalling, is disenchanted even disillusioned. On the other hand, the need for Europe is as powerful as it is unsatisfied.”¹

Moscovici is right. For years, the European Union has tried to widen and deepen in parallel. But since the Treaty of Maastricht took effect in 1992, the deepening process has stumbled, puttering ahead with the Amsterdam and Nice treaties, but making little real progress. The widening process, however, is moving ahead briskly. On May 1, 2004, ten new countries joined the EU, completing the Union’s most significant expansion since its foundation in 1957. But this dramatic expansion is not enough. The shock of enlargement has not yet subsided, and already new enlargement rounds are being sketched out: the next probably in 2007 bringing in Bulgaria, Romania and Croatia; one in about 2010 that will try to cope with the Balkans; and another in perhaps 2013 that will tackle the difficult task of Turkey. Meanwhile, the list of countries seeking accession keeps getting longer. Countries like Ukraine, Belarus and Moldova are waiting in the East, while Morocco and others wait in the South.²

The EU will therefore have to quickly work out the tensions between wider enlargement and deeper integration. To put it simply, the enlarged EU has to answer the question of whether it can be a political union after this and subsequent enlargements.

¹ Pierre Moscovici, “L’Espagne, la France, les vingt-cinq ...” *Le Figaro*, April 14, 2004.

² Günther Verheugen, European Commissioner for Enlargement, recently said in a press conference at the occasion of the presentation of the new neighbourhood policy of the EU that the enlargement would stop after Rumania, Bulgaria, Croatia, the Balkans and Turkey; cf. Jan Cienski and George Parker, “EU Warns ‘friends’ against hope of joining,” *Financial Times*, May 13, 2004; European Commission, “European Neighbourhood Policy Strategy Paper”, COM(2004) 373, May 12, 2004.

Redistribution vs. Geopolitics

Enlargement of the EU—to include the upcoming rounds—is not just a good thing; it is also a necessity for maintaining stability and prosperity in Europe. Ultimately, however, the EU will have to recognize the trade-off between deeper integration and the realization of its geo-strategic potential. The EU does not yet have a geo-strategic dimension and is not yet an entity that can project power or take on international responsibilities. Further enlargements would bring the EU to the border of some unstable and dangerous regions and, thus, create a need and opportunity for the EU to act as a peaceful and prosperous anchor of stability.

There is a risk, however, of political and financial overstretch in this attempt to export stability. EU policies still essentially consist of agricultural support programs, regional development funds and the implementation of a comprehensive competition policy. An EU that wants to pursue geo-strategic goals and take over global responsibilities can no longer spend some 50% of its budget on agricultural policies and another 30% on regional development funds. The newcomers to the EU have pointed this fact out quite openly. According to the new Lithuanian Commissioner, Dalia Grybauskaitė, “[if] in the future we continue with the same proportions giving only one sector, agriculture, half of the budget, the EU will not be able to tackle its needs at all, no matter how much we will put into the budget.”³ But the scope for the EU to change its focus is sharply limited by such crude realities as constrained budgets, farm lobbies and wary citizens who feel that integration and migration threaten their jobs and their culture.

Nonetheless, for the EU to become a political power, it will need to shift from essentially redistributive policies toward spending on geo-strategic policy goals. To give an example: in a European Union focused mainly on security and geo-strategic issues, Turkish membership would be an unambiguous asset for the EU. However, bringing Turkey into the EU’s system of agricultural supports would cost some 20 billion euros over the period of the next financial framework.⁴ Nobody is ready to pay such a fantastic sum to maintain Turkish farmers. This means that the EU will need to radically reform its domestic policies before engaging in new enlargement rounds. Turkey can be a member of a geo-strategic EU, but not of the redistributive EU as it exists now.

The systemic problem is how to get from A to B—how to shift the EU from a redistributive to a geo-strategic project. The budget should certainly be adapted to the new and global tasks that the EU will face: the development of military capabilities; the establishment of European border protection and a European migration policy; and the pursuit of the Lisbon agenda for social and economic renewal within the EU. But this would mean that the countries that will join the EU

³ “Interview with Dalia Grybauskaitė,” February 9, 2004 available at http://www.euractiv.com/cgi-bin/cgint.exe/1110416-603?714&1015=10&1014=in_grybauskaite.

⁴ Cf. Herman August Winkler, “Die Grenzen der Erweiterung. Die Türkei ist keine Teil des ‘Projekts Europa’,” *Internationale Politik*, February 2003. In comparison, the accession of the ten countries will cost some 12.5 billion euros from 2004 to 2006, cf. EU Financial Framework, available at http://europa.eu.int/comm/budget/financialfrwk/index_en.htm.

ten years from now will not join the same union—a union one of whose basic tenets was financial solidarity among its members.

With this enlargement, the EU is beginning to change its nature. The EU is under pressure to develop its weakest pillar, foreign and security policy, in order to become an actor on the world scene, without being ready for this change domestically. New enlargement rounds will depend on citizens' votes, since every enlargement will need ratification in all countries and within the European Parliament. The politics of exporting stability will therefore be submitted to electoral constraints—a difficult task since a huge expenditure is involved at a time when the European fiscal situation is already shaky.

The Constitution

Adoption of the draft constitutional treaty will help in moving the EU toward a geopolitical role and chances are good that the EU member states will finally approve the constitution at the EU Council meeting in Dublin on June 17, 2004. Specifically, the creation of a European Foreign Minister would help to shape the global role and the geo-strategic dimension of the EU. An elected President of the European Council, as opposed to the current system of rotating leadership by countries, would be able to steer the foreign policy agenda of the EU and to set clear priorities. The constitution will also enable the EU to merge the diplomatic and the development components of its foreign policy; the policy tools and resources of the European Commission would be combined with the decision-making power of the Council of Ministers. This will enable the EU to better coordinate its development assistance with its foreign policy goals, an important first step for engaging in a pro-active geo-strategic policy in the regions adjacent to the enlarged European Union.

Most importantly, the decision making process will be simplified. The double qualified majority—provisionally set at 50% of states and 60% of population—will make reaching decisions a lot easier than the complicated and confusing triple majority stipulations of the Nice Treaty.⁵ The only remaining issue is whether the definite figures of the arrangement will be 50%/60%, or rather 55%/55% or 50%/63%.⁶ However, the struggle over the exact numbers mirrors the increasing difficulties between larger and smaller member states. The larger ones want to increase the importance of population in voting power, the smaller want to maintain the principle of one state, one vote. The enduring debates about the number of commissioners reflect the same conflict. The federalist ambition to abandon the principle of one commissioner per country has not yet been achieved, and, by the compromise arrived to enable passage of the constitution, it will not be until 2014 at the earliest. In the interim, the Commission will have to manage for 10 years with 25 members, and compromises may be hard to find.

⁵ The triple majority provisions of the Nice Treaty would have required each measure to obtain a majority of States, a majority of populations and a majority of weighted votes in the Council of Ministers.

⁶ The recent compromise proposal of the Irish Presidency calls for 55%/55%, but most likely the agreement will be at 50% of states and 63% of population.

The more immediate problem with the constitution, however, is ratification. After approval by the governments, the constitution must be ratified by referendums in several countries—most prominently in the United Kingdom, but also in Luxembourg, Denmark, Spain, Ireland, the Netherlands and some of the accession countries. The failure of just one referendum could still endanger the whole constitutional project. British Prime Minister Tony Blair's decision to hold a referendum in the UK has definitely changed the political landscape. For instance, it will be very hard for France to not to have a referendum.

Technically, the constitutional draft is no different from the other intergovernmental treaties such as the Amsterdam or Nice Treaty. But for two years, the rhetoric about the European constitution and the unforeseen engagement of civil society in the drafting process has made people believe that, this time, a huge leap forward in integration is at stake. The political damage to the credibility of the European project if this constitution is not ratified will therefore be much bigger than the failure of the Nice Treaty. And this would come precisely at a time when the U.S. preoccupation with Iraq means that a European contribution to world security is all the more critical.

Of course, a “no” in a small state such as Portugal or Luxembourg will have a different meaning than a “no” in Great Britain or France. And France's traditional role at the center of European integration means that France's vote will matter even more than the UK's. But the time has come to seriously think about the fall-back options. The constitutional draft does contain a clause for this contingency, providing that, if, after two years, at least 80% of the countries have ratified the constitution, the Council will “advise” on how to move forward, but it offers no specific, or even vague, plan. French President Jacques Chirac has tabled the idea of a “yes or out” process, which would require that the member states either approve the constitution or leave the Union. Under this plan, an option at first glance might be to revitalize the European Economic Area (EEA) as an institutional framework for all those countries that reject the constitutional treaty. In this case—fearing that the UK might say “no” to the constitution—the UK could become the “lead” country of a more muscular EEA. But this would without doubt be the end of the political project of the European Union and the Wider Europe Strategy for which an effective, powerful and energetic EU is the anchor. There can be no EU in which Turkey is member and not the UK.

Those in the United States who champion the idea of a “not-too-strong” EU should, thus, think twice before embracing such ideas. Only a whole and strong EU would be able to deliver what the United States is hoping for from the EU in geo-strategic terms: the stabilization of the grey-zone countries between the EU and Russia, of the Black-Sea and of the Caucasus, as well as of the Greater Middle East.

The Future of Leadership in the EU

Even after the constitution is settled, the enlarged EU will still confront the issue of the future of European leadership. Everybody agrees that the Franco-German couple can no longer play this role alone. France and Germany retain a capacity to veto progress on integration, given their combined votes in the Council, their populations and the fact that they have two of the biggest European economies. On the other hand, they have already lost—and will probably further

loose—their capacity to serve alone as the motor of integration in the enlarged EU. The Iraq crisis demonstrated that the Franco-German couple is not strong enough to dominate the union on questions of foreign policy. Moreover, in their mutual violation of the Stability Pact limits on budget deficits, France and Germany sacrificed much of their authority to lead on issues of European economic policy.

The question is, therefore, who will lead the enlarged union. The quick answer is the concept, that began with the trilateral summit in Berlin in February 2004, of the “Big Three,” meaning France, Germany and the United Kingdom. It is true, to put it simply and crudely, that there is no credible EU foreign policy if the UK, France and Germany do not agree. Even so, however, the “Big Three” concept may not work. The other three “big” EU members (Poland, Spain and Italy) do not seem ready to accept this kind of leadership. But if the “Big Three” becomes the “Big Four” or “Big Six,” it would be even more damaging to the fragile relationship between the smaller and the larger states within the EU. Leadership of the “larger” against the “smaller” member states simply will not work. For this reason, the chances of creating an institutional framework for a “lead group” of the enlarged union are weak.

Leadership will therefore depend more than ever on the particular policy issues that arise, as well as on a political and geo-strategic vision of the EU in world affairs. Here, France and Germany might again be crucial, for it is doubtful whether they share the same geo-strategic vision of the EU. Germany has basically bought into the American concept of an enlarged Union, including Turkey, as an anchor of stability for the Greater Middle East.⁷ Germany wants to deliver this outward-oriented Europe to the United States. France, for the time being, does not and may still be caught in nostalgia for the Europe of old, in which its own place was central and the agricultural subsidies were generous. The dilemma is that France might be the country that is emotionally the least engaged of all in the historical momentum towards a “Wider Europe” but has a tremendous capacity to block progress within Europe. One should remember that the empty chair crisis of 1965, when France simply refused to participate in EU forums until its demands were met, was caused by a dispute over agricultural policy.

Regardless, Germany will not engage in a French “core Europe” concept that would be based on anti-Americanism and multipolarity. In February 2004, Joschka Fischer rejected the idea of a “core Europe” that would sacrifice breadth of membership for greater progress on political integration.⁸ In this view, only an enlarged Europe, including Turkey and the Balkans, could reach out to the world, embrace its responsibilities and have influence in critical regions like the Greater Middle East. But this will happen together with France or not at all. It should not be overlooked, especially in the United States, that without France, there can be no geo-strategic outreach of the EU.

⁷ See, for example, Joschka Fischer’s speech at the Wehrkunde conference in Munich, February 7, 2004.

⁸ Joschka Fischer: “Klein-europäische Vorstellungen funktionieren einfach nicht mehr,” Interview in *Berliner Zeitung*, February 28, 2004.

Since Fischer's shift from concepts of a "core Europe" to a Europe with a geo-strategic outreach, his boss, Chancellor Gerhard Schröder, has prominently called for a "multi-speed Europe" in order to keep progress in political integration alive.⁹ But the concepts are not the same. The "core" concept refers to a fixed subset of countries that would go ahead with deeper integration in all policy fields, working specifically on the assumption that the 12 EU countries that share the euro would want greater political integration.¹⁰ "Multi-speed Europe" refers to the idea that a variety of different subsets of countries might engage in closer cooperation in various specific policy areas. The draft constitutional treaty opens and enlarges the possibility of the latter under the rubric of "enhanced cooperation"—although the procedures for implementing that concept remain very complex.¹¹ Importantly, enhanced cooperation would now also be allowed in the area of foreign and security policy. This "flexibility clause" could therefore be the key to resolving the deepening-widening paradox of the EU.

⁹ "Schröder speaks out for multispeed Europe," *EUobserver*, April 15, 2004.

¹⁰ This was the main idea of the famous paper of "core" Europe by Wolfgang Schäuble and Karl Lamers in 1994.

¹¹ The minimum number of countries needed to start "enhanced co-operation" is still "1/2 plus one," which will mean 13 countries in the enlarged EU.