



## **EU enlargement and the future of transatlantic relations**

*A transatlantic seminar organised by Ifri and IEP*

*A joint seminar of the French Institute for International Relations (Ifri)  
and the Institute for European Politics (IEP) in Berlin*

**Monday, December 11, 2006**

**Ifri, 27 rue de la Procession, 75015 Paris**

**FINAL REPORT**

## **OPENING SPEECH**

*Thierry de Montbrial, General Director, Ifri*

After having dealt with relations with the former Soviet Union – and Russia in particular – in a first seminar of the kind, this second seminar on transatlantic relations analyses EU enlargement and its implications for transatlantic relations.

Thierry de Montbrial addresses the fact that in the US there is still little understanding of the European Union construction. In the United States, the EU is often regarded as one international organisation amongst others such as NATO. He detects a clear tendency of identifying NATO with the security dimension of the EU, a reason for which the US would want all EU members to simultaneously be members of NATO.

At present, however, Europeans need to make up their minds about what they want to achieve with the EU. Mr Montbrial claims that the EU needs to be created as a new political unit, different from concepts such as the nation state, with new rules of government empirically invented over time. Unity would thus be progressively achieved by forming a common culture and institutionalizing a common political organisation. Mr Montbrial concedes that it may take another two generations for these goals to be achieved. However, decisions taken today would point the way ahead for the future of the European construction.

Mr Montbrial argues that enlargement has been coerced upon the EU by the collapse of the Soviet Union. Its high number of member states keeps growing and while Turkey might not be able to access the EU in the foreseeable future, other potential Member States such as Serbia and Montenegro are waiting for their turn to enter the EU. This plurality of opinions within the EU might be one of the reasons for the lack of a common vision that was underlined by the Dutch and French refusal of the constitutional treaty. Of course, this dividedness within the EU also has repercussions on transatlantic relations.

Mr Montbrial claims that having a similar conference in 2003 would have been more difficult due to the war in Iraq and the transatlantic and inner-European cleavage ensuing from it. Huge difficulties that the US faces in Iraq have ameliorated transatlantic relations, underlining its importance on both sides of the Atlantic.

**FIRST PANEL**  
**Absorption capacity of the EU and the challenge of enlargement**  
*Chair Person: Hans Stark, Ifri*

*Maurice Guyader,*  
*European Commission, DG Enlargement, Brussels*

Maurice Guyader argues that the notion of absorption capacity has been a concept present ever since the Copenhagen criteria, even though it has transformed into a slightly different concept named integration capacity. Accordingly, even from the very first enlargement onwards, enlargement and deepening have been interlinked processes. The 2004 enlargement was the first time when deepening and enlargement did not go hand in hand because the high number of applying countries required shifting the focus to institutional aspects. Nonetheless, Maurice Guyader calls the 2004 enlargement a success, at least in terms of economy. Enlargement fatigue and the refusal of a constitutional treaty in France and the Netherlands that resulted from it have triggered a debate on European integration capacity and the limits of Europe. Maurice Guyader estimates that a strict geographic basis for defining Europe's borders should be avoided. Instead, he argues for common European ideas and values as the fundament of EU construction. One of these concepts that all European member states agree upon is the concept of secularism according to Guyader.

Next to strategic, economic and social questions, Mr Guyader lists three main strategic orientations that he calls crucial for the further development of integration capacity. Firstly, institutions need to adapt to enlargement. The Commission, for instance, despite its rotating system, needs to represent the balance between member states of different magnitude appropriately. Secondly, the financial aspect is of major importance. Even though enlargement is a cost at a first step, Guyader argues that it will turn into an economic success in the long run. Positive results achieved in Spain could also be achieved in Poland and possibly later in Romania and Turkey. The third question is whether main policies such as the CAP, the maintenance of structural funds, and the free movement of people could still be pushed through with such a big number of states.

These questions need to be addressed in particular with regard to Turkey's possible accession to the EU. Although integration capacity is not a new concept, more attention needs to be paid to these issues in order to avoid negative results in public opinion polls.

**Wolfgang Wessels**  
**University of Cologne**

Ever since the The Hague programme in 1969, the EU has approached enlargement according to the principles of “deepening, widening and completing”. Even though the term “integration capacity” is more precise than “absorption capacity”, it does not cover the underlying concepts of geographical finality and political, institutional finality that Wolfgang Wessels wants to draw more attention to.

According to Wessels one central prerequisite for EU enlargement is the Union’s capability of becoming an actor on the international stage and of coping with globalisation. Of similar importance for the EU and its enlargement policies is the development of the international system. Enlargement to Central and Eastern European countries would thus not have come about if it was not for the end of the East-West conflict. The process of deepening and widening has been constructive for dealing with major issues in an ever growing EU. However, Wessels deems the future success of this “virtuous spiral” unsure. Wessels claims that the institutional architecture has functioned since the last enlargement in 2004. The introduction of a new budget and the service directive, which have come to a decent and politically acceptable solution in his view, are indicators for this positive development that would also be upheld without drafting a constitution in the near future.

### **Geographic Finality**

Wessels insists that deepening will remain a precondition for further enlargement. In reference to what Wessels calls the virtuous spiral, the “vicious spiral” is embodied by British conservatives who question the necessity and economic efficiency of structural funds. Wessels claims that widening is a good opportunity for these critics to reduce the Acquis making it easier for new members to acquire membership in the EU.

Wessels states that there are currents within the EU that would accept enlargement only after the creation of a new concept similar to concepts such as *Avant-garde*, *French pioneer*, *Core-Europe*. Taking into account that enlargement could not be stopped these experts argue that the Union should not be overloaded with obligations, but offer partial membership in small groups such as the Monetary Union. In this context Wessels demands a redefinition of the term *integration*. The term that has been ambiguous ever since its first implementation in the 1950s implies three dimensions. Firstly, the fundamental notion of integration is to achieve a community. Similar to French national identity (*La France profonde*), the EU needs to create a deep identity that is not exclusively dependent on the constitution but a deeply

rooted political culture. Creating clear borders would reinvigorate alterity between Europeans and Non-Europeans. Stressing the “social model Europe” as an alternative to communism and capitalism and emphasizing “European values” could also be part of identity building. However, Wessels argues, including religion in identity building should not be overemphasized.

A second dimension of the term *integration* concerns the Constitution. In this regard *institutional architecture* is particularly relevant. Wessels regrets that the paper by the Commission is inadequate in this point. He argues that the optimal size for institutions, such as the Parliament and the Commission, needs yet to be found. The major dilemma for the EU is whether to stress efficiency by having fewer member states involved in decision making or to put more emphasis on representativeness and legitimacy by opting for a large number of member states. The balance of power between small and large member states adds up to this problem that occurs particularly in constitutional questions.

A third condition for further integration is the future of the constitutional treaty and the implementation of a new package deal. In Wessels opinion the EU needs to get started on new projects (*L'Europe des projets*) in fields such as energy and research so as to involve EU citizens and public opinion in the development of the Union.

***András Inotai***  
***Institute for World Economics, Hungarian Academy of Sciences***

According to András Inotai absorption capacity has been understood differently for many years. It used to signify the extent to which countries are able to adapt to requirements and institutions of the EU and absorb financial envelopes. Today absorption capacity means the capacity of the EU to absorb new member states. According to Inotai enlargement in 2004 and the new member countries have introduced no fundamental problems to the EU except for the Polish veto. One reason for this agreement amongst new member states, Inotai argues, might have been either a lack of strategy or a high level of cooperative behaviour. He claims that problems within the EU stem solely from dissensions amongst old member states. In this context the disagreement on the Constitution, the EU budget, the liberalization of the internal market and economic patriotism, even if directed against non-EU countries, are endangering EU integrity. Inotai finds the term enlargement fatigue misleading as problems are rather the reform unwillingness and unreadiness as well as the political and social inflexibility in key old EU member countries.

Inotai makes four remarks on the international framework of absorption capacity:

1. The fact that the global centre of economic growth has shifted from Europe to the Pacific since the second half of the 90s has brought about various consequences. However, the main problem is that Europe has lost the privileged position it had maintained over centuries. This political, economic and emotional challenge for the EU has to be made understood to politicians and the wider public alike.
2. Inotai outlines the big gap between the EU as an economic actor and Europe as a non-player in international policies. The EU needs to become a global political player within the next decade so as to maintain its global economic influence.
3. While core countries of the EU have low growth rates, companies from these countries are very competitive. The growing discrepancy between the very limited economic power of nation states on one hand, and the much larger manoeuvring room of companies on the other hand, needs to be overcome.
4. Each enlargement was preceded by and embedded into a deepening process. This fundamental deepening process did not precede the enlargement in 2004. The Constitution, even if it had not failed, could only have been one piece of this deepening process in Inotai's opinion. A deeper consensus needs to be attained on issues such as liberalising the internal market and constructing a common foreign and defence policy.

### **Conditions for further enlargement**

According to Inotai, the debate on Turkey is unjustified as the status quo does not permit an accession of Turkey. However, EU will change within the next decade. A different structure might than be more favourable for Turkey, or at least for the EU as a global actor. Inotai argues that EU policies in the Western Balkans have regularly undermined conditionality (e.g. in Kosovo, Albania). In his eyes the problem is that these countries obtained status without complying with standards. Thus a new set of conditionalities needs to be created and observed. In 2007, both, Bosnia and the future status of Kosovo, will pose a unique challenge to EU integration. In a positive scenario, this will mean that a new Balkan responsibility could become an important factor for European common foreign policy.

### **Mass Migration**

In Latvia and Lithuania, despite very high economic growth rates, almost all of the young and skilled people are leaving the country according to Inotai. Bulgaria, Romania and the Western Balkans are in an even more unfavourable position. While in the 21<sup>st</sup> century the most important driving force of sustainable economic growth and modernisation is the quality

of human resources, it has clearly decreased in South Eastern Europe and the Western Balkans.

### **Creating a Core Group**

For Itonai one key question for the future is how the absorption capacity could be increased. The high level of heterogeneity is not necessarily negative. However, the concept of a Europe of concentric circles could only be acceptable under three conditions. Firstly, no member state could rely on a fixed place in the core group. Being part of this group depends solely on the country's performance. The second prerequisite is for the core group to remain open to every country. Thirdly, core groups need to be created around a very small number of policies (e.g. monetary policy, migration, ENP, etc.). Those countries that are highly interested in the respective agenda should than be integrated in the core group.

Moreover, the EU has to find a way of formulating transparent rules for candidate countries, particularly for the Western Balkans. Different views and undermining activity of some member countries vis-à-vis the CFSP need to be ruled out and a certain level of unanimity needs to be found also with potential new members. Furthermore, European society needs to be prepared for the challenges of the 21<sup>st</sup> century. Even though the EU does indeed not have the absorption capacity for smooth enlargement in the near future, it needs to reinforce its crisis management capacity and consider the possibility of intra-European academic cooperation on this issue.

## ***Discussion***

### **Integration capacity**

The Communication of the Commission missed to make a political statement regarding the future of the EU and its approach to the crisis and enlargement. In the past, the Delors Commission made a clear political point in urging for a consolidation before further enlargement. Similarly, it addressed alternative solutions such as the partial membership. It raised important questions and formed a leadership group for the EU. Given the weak governments among new member states, the Commission should have acted less cautiously as otherwise external pressure might rid EU of its proactive role. Increasing external pressure coerces the EU to do more about security, crisis management and post-crisis peace building and to invest more in research and education. Building up a knowledge based society in Europe is more important than investing only in agriculture and structural funds.

The Commission report should also have defined more sharply the notion of integration capacity. Integration capacity is linked to the functioning of the institution and of the single market as well as the taking over of the Acquis and its implementation. These criteria as well as the future financing of the EU are crucial. In contrast to this, other participants argue that integration capacity should not be made a criterion for a lack of instruments. Instead of this approach, integration capacity should be seen rather as a political principle.

However, when making judgements on the report of the commission, the urgency and pressure from Parliament and Council under which it was produced need to be taken into account. Nonetheless, the Commission needs to find a better way to communicate more actively successes such as the free movement in the Schengen area and the Monetary Union to European citizens. Communication and the involvement of public opinion could be further enhanced by publicly dealing with new topics such as the CFSP, justice and home affairs as well as migration policy.

### **Deepening and widening**

Not only the last enlargement was made hastily, but all enlargements have happened without a well-designed plan and were a political reaction to what happened around the EU. This is why the EU needs to enhance its reaction capacity. The accession of countries from Central and Eastern Europe, for instance, has been a slow process as it took 15 years from first negotiations until the final accession. Beyond that, consolidation, a major criterion for further enlargement, is hard to define as the compliance rate is not that high even for old member states. The EU also needs to take into consideration that countries in the vicinity of Europe do not favour a step by step process, but urge for direct accession. One problem for the EU is that once privileges are granted, the EU is not able to remove its subsidies as the CAP has shown. Consequently cohesion policy needs to adapt more efficiently to political change.

### **Public Opinion**

Scepticism towards the EU has changed in the last 10 years. Nowadays, even traditional pro-Europeans have turned against hasty further enlargement. Thus, academia needs to work on a political message for this new kind of Euro-scepticists and clarify the evolution of political forces in the EU. In contradiction to Wessels argument, new package deals being a top down approach would only be capable of relaunching institutions. However, the crisis is distinctive and unprecedented as it is bottom up and a dismissal of the European idea by a

large number of citizens from younger generations in old member states. In order to attain prosperity, identity and security, the EU needs to adapt its decision-taking institutions to the rapidity of political change. In several polls, public opinion has repeatedly demanded an intensification of European international interventions and European foreign policy. The cleavage on Iraq was unprecedented, but coincided with negotiations on the European Security Strategy, a clear symbol for Europe's capacity of taking decisions unanimously. From an American perspective, however, debates on enlargement and the EU are an elite driven process that has not yet found a way to make the populations of Europe embrace its vision. This failure is underscored by the French and Dutch referendum.

### **European Identity & the Rise of Nationalism**

Enlargement is not a success regarding different phenomena such as the rise of nationalism, xenophobia and racism in some of the new member states and countries aspiring for membership in the south of Europe. Often, in the process of accession, the Copenhagen Criteria are only allegedly met. These glossed over problems could reappear after the accession. The EU will thus face a dilemma when integrating these countries that are terra incognita. Rejecting them would be frustrating and could cause civil war like conflicts, which would force the EU to intervene with insufficient military instruments. Integrating these countries would equip the EU with leverage; however, it implies the risk of also integrating conflict potential. Nevertheless, the rise of nationalism and populism in Eastern and Central Europe is not a new phenomenon. Its re-emergence in recent years has not been sufficiently discussed in Europe. Yet, nationalism and populism are not restricted to the new member states and not exclusively directed against the EU.

### **Future Challenges & European International Relations**

The EU strategy on Iraq is controversial and contradictory. Enlargement has not helped in this respect. The question remains what role the EU could take in the post-Iraq world order. Carrying out peace-keeping missions and exporting European values are going to be part of its mission in the 21<sup>st</sup> century. However, the EU needs to define these values, create a leadership group and rethink its budget for becoming a global actor.

The growing importance of India and China will not necessarily embody a danger to global peace, if these countries are integrated into trade and economic relations. The reshaping of international economic powers that the rise of China and India will bring about has also serious consequences for the EU. The EU will have to make up its mind on how to act, once

China is playing a crucial role in European economics. It remains to be seen whether Brussels will protect Europeans or if the European citizens will turn to their nation states.

**SECOND PANEL**  
**Implications of EU enlargement for NATO and ESDP**  
*Chair Person: Mathias Jopp, IEP, Berlin*

*Stephen Larrabee*  
*Rand Corporation, Santa Monica*

According to Stephen Larrabee the impact of the last round of enlargement has brought about major implications. Firstly, it has caused a shift in the political balance of the EU and strengthened its transatlantic view. Moreover, it has weakened the German and French impact on EU decision-taking. The third implication resulting from the last round of enlargement is that developing the EU as a counterweight to the US has become more difficult. In this context Larrabee argues that Atlanticism might change once Eastern Europe is fully integrated into the EU. This important process within Eastern Europe is highly influenced by the EU (through investments, student exchanges, visa policy etc.) and will take yet another decade. The fourth issue at stake is the admission of Cyprus and a shift in Turkish policy, both also having a central impact on EU-NATO relations.

According to Larrabee the future of enlargement, with a long period of consolidation after the accession of Romania and Bulgaria, has far-reaching implications. During this period of deepening, NATO is going to enlarge with the accession of potential member states such as Macedonia, Albania, Croatia and maybe Georgia. In Ukraine the Orange revolution has made the US push the Ukrainian action plan in NATO. With the collapse of the Orange coalition and a lack of consensus on Ukrainian NATO membership, the Ukraine will withdraw its membership application, Larrabee explains. He argues that the Ukraine will thus not be likely to join the EU within the next 10 to 15 years, making NATO the only vehicle for integrating Ukraine in the West.

Turkey's diminishing chances for achieving EU membership and a loss of popular support for EU membership in Turkey will have long term implications for Turkey's relation with the West. A drop in support for NATO from 2005 to 2006 by ten percent and strained relations with the US due to the war in Iraq has brought about an unprecedented coincidence: For the first time relations of Turkey are bad both with the US and the EU. According to Larrabee Turkey has several options for a strategic reorientation. One possible scenario is the stimulation of relations with Russia, its 2<sup>nd</sup> largest trading partner. Other options for Turkey

are to strengthen relations either with the Middle East or Eurasian countries. In the EU these developments have sparked off a debate on multifactor policies towards Turkey. Stopping enlargement would lead the EU into a vacuum making NATO the main vehicle for Western integration and, consequently, the US role for shaping EU security would increase.

***Ralf Roloff***

***George C. Marshall European Centre for Security Studies, Garmisch-Patenkirchen***

Ralf Roloff elucidates the fundamental implications of continuing or stopping EU enlargement for ESDP and NATO. He subsequently presents his three theses on the future of EU enlargement and the impact of variable geometry on transatlantic relations. He argues that EU enlargement has used the ESDP as a role model as it includes structured cooperation without a constitutional treaty by forming coalitions of the willing and capable.

According to Roloff's hypotheses the death of enlargement will be the birth of variable geometry beyond EU membership. For him the ENP and its objective of creating a ring of friends around the EU is a substitute for further enlargement. In this respect, using ESDP in a sort of "Security partnership" as suggested by France could be one attempt of beefing up this ring of friends. In this case, the participation in battle groups and EU missions extend variable geometry, an approach that could be perceived as a threat by Russia. According to Roloff, variable geometry is also the starting point for a new transatlantic bargain. It could be used as a constructive approach for taking a fresh look at the "three D debate".

**No discrimination**

Extending variable geometry of ESDP beyond EU participation is not meant as a closed job according to Roloff. The US, for instance, has participated in various programmes of ESDP.

**No duplication**

All countries have just a single set of forces. Their capabilities are restricted and comply with NATO standards. NATO reaction forces are also used as battle group forces or vice versa, a new type of double use created by tight military budgets.

**No decoupling**

Variable geometry gives the ESDP the possibility of being engaged where NATO is not engaged. This approach includes a clear burden sharing and a comparative advantage for each of the two organisations. For instance, the civil military and civil crisis management capability of the ESDP that is well developed could complete NATO's military capacities.

The extended variable geometry of ESDP would consequently transform NATO into a tool box for the ESDP and the US. The Security community would thus become a flexible security institution based on common interests much more than on common values. The « tool-box approach » would transform NATO into a flexible instrument where the mission defines the composition of participants in form of informal coalitions and ad hoc groups. In return, this renders transatlantic relations more pragmatic. While the US already uses the tool-box approach, the EU is still undecided about it. According to Roloff's argument, NATO will become a political forum where transatlantic common interests are to be identified, discussed and defined. A new flexibility might thus also reinvigorate transatlantic relations.

*Guillaume Parmentier*  
*Centre français sur les États-Unis, Ifri, Paris*

Guillaume Parmentier takes a closer look at enlargement from the NATO perspective. He argues that NATO enlargement was done for political rather than strategic reasons. NATO having been conceived as a strategic and military organisation is now meant to organise operations or to authorize the putting together of operations by a certain number of countries outside its own territory. The enlargement in 1999, for instance, was not driven by strategic concerns as neither the Czech Republic nor Hungary or Poland was threatened by its neighbours at the time. Parmentier argues that NATO enlargement is a means to co-opt countries into the West. He calls NATO enlargement in 2004 a follow-on enlargement with implications for relations with Russia and EU-US relations. The competition between the US and the EU has caused a rush for attracting new countries particularly in Central and Eastern Europe. It drives France and other EU countries to push for the EU as the major organisation for integration into the West, while the US and some EU countries want NATO to be the most effective means of integration. This purely political motivation for enlargement highlights the distinction between security consumers and producers within the EU.

As NATO membership is seen as a perfect insurance against trouble, easier to obtain than EU membership, NATO grows faster. According to Parmentier this readiness has encouraged Americans to divide Europe into new and old Europe. Enlargement has thus played into the hands of the dividers of Europe and has created a “NATO fan club” within the European Union. The notion of the “Core of cores”, a small number of countries that are going to participate in all dimensions of policies and operations had one major problem: Britain is not in a position to participate in it.

According to Parmentier, Georgia is decisive for the future of NATO enlargement. Its borders are not internationally recognized, part of its territory is not under control of its government and only few NATO countries would be willing to defend its territorial interests. Georgia as the first potential NATO membership country with serious security problems is thus going to be a litmus test for the credibility and integrity of NATO.

Another major challenge for NATO is its operation in Afghanistan. It is one example for an American operation outside of Europe. This tendency of looking beyond Europe has several implications for the EU. Parmentier argues that the US has become more interested in areas of the world where security issues are real and serious. This requests an amount of political support that overshadows European interests. Parmentier claims that important developments in North Africa, Africa and the Middle East will come to the fore. They are going to influence Europe even though they happen outside of the European territory.

The European involvement in these issues will become ever more sporadic and unpredictable as the US will be more cautious and hesitant about including the EU as a consequence of dissensions on the war of Iraq. Parmentier presumes that in the future the US is going to decide unilaterally whether or not issues are of interest. However, no matter how the US decides, important issues will always get back to Washington. Parmentier argues that this has happened with the crisis in the Balkans and might happen again in Darfur. This “boomerang effect” will thus initiate a fast movement from indifference to interference, a development that might be difficult for the EU to accept and adapt to.

## *Discussion*

### **ESDP**

The “gas and oil honeymoon” between the EU and Russia has caused some scepticism about the ESDP in Central and Eastern Europe. The position of the EU towards Ukraine and Byelorussia is also linked to relations with Russia, which does not assure Central Eastern Europe regarding the EU’s capability of protecting it with hard power. Added to this, the delay in building a European military force has increased scepticism in Central and Eastern Europe. However, the confidence of societies in their elites and amongst member states needs to be established as a prerequisite for CFSP and ESDP. Another source of confidence could be successes of the ESDP in missions in Bosnia, Congo etc.

## **The role of the UK**

EU 25 or more will have a variety of strategic interests, which might make it harder to decide where to deploy EU resources and battle groups. A greater weight on defence and security issues might ironically give a greater weight to national capitals which will always retain an important role when deploying military assets. However, the strengthening of ESDP and variable geometry will increase the importance of the UK. Being a fervent supporter of it since its very beginning, the UK is one of the three keys to ESDP. Thus a triangle and not only a German-French tandem is the core of the EU and necessary for progress.

## **Synchronized Enlargement**

The rationale for enlargement was not military, but both political and strategic. Its objectives were to extend stability to the East and embed Eastern countries in a broader Euro-Atlantic and European framework. After they were attained, NATO moved forward and left the EU behind as it was not ready yet for further enlargement. From a Central and Eastern Europe perspective NATO enlargement has been politically dictated. Yet, it was a positive development as it was the first impetus to open the doors to the West, also to the EU. The motives behind the American drive to enlarge Europe were to create new transatlantic friends in NATO.

However, as a new NATO member state, the Czech Republic was shocked about NATO's Kosovo involvement. The new countries in Prague 2002 similarly ignored how much they would be involved in the wars in Afghanistan and Iraq. Thus, public opinion towards the US and NATO has dropped in Central and Eastern Europe. Commitment to the NATO from Poland has been very serious from the beginning even though having to act militarily might have been a surprise. Commitment was so high because the feeling that NATO gives security had never been tested.

The Euro-Atlantic community is based on the assumption that progressively most European members of NATO would become members of the EU. This creates an overlap of membership in the institutions which has been the case during the Cold War and up to the enlargements of 2004. If NATO enlarges and the EU stalls, the Euro-Atlantic community will be fragmented. A Euro-Atlantic space with multi-speed would no longer lend itself to the kind of political and institutional coherence needed. In the case that one institution moves much faster than the other, both institutions would lose.

The Bush administration is committed to achieving further enlargement in NATO before it leaves office. It would want to create another accession if given the choice by going all the

way of accepting the seven states Macedonia, Albania, Croatia, Georgia, Bosnia, Serbia and even Ukraine. The opportunity to do so is probably going to be denied by the Ukrainian reversal and cannot come about unless there is a dramatic change in the relationship with Russia in 2007-2008.

### **Shifting interest of the US**

The US agrees that the EU is a remarkable historical achievement of bringing peace to the continent and security to its vicinity. As a consequence of this established stability, the US shifts its attention to other regions of the world. The importance of global partnerships with countries such as Australia, South Korea and Japan has grown.

Concerning EU-NATO relations three issues are on the table. Afghanistan is a test for NATO and a test for the US' interest in NATO as a provider of security. Iraq is a test for the US after having failed the test of escalation from 2002-2006. Iran will occupy even the next administration; it is a test in which the military option stays on the table. Due to ignorance or incapability, military means of the EU are not convincing and even NATO's means are not up to the realities. While NATO had been looked upon as a toolbox by policy-makers during the first Bush administration, this approach has been overtaken by events in Iraq. The US has understood that it needs to rely on its allies and cannot undertake several security missions alone. Today, both, NATO and the EU, are undergoing changes on what kind of a global role to take. In this development a synergetic interplay between the EU and NATO might still be possible.

### **THIRD PANEL**

#### **The EU's enlargement and neighbourhood policy – views from the United States and EU member states**

*Chair Person: Esther Brimmer, Johns Hopkins University, Washington*

***Barbara Lippert  
IEP, Berlin***

In her exposé, Barbara Lippert takes an in-depth look at Germany and the upcoming German presidency as well as its consequences for the European Neighbourhood Policy. In contrast to EU enlargement policies, ENP is very young and unfinished. In Lippert's opinion Germany's objective is to shape ENP similarly to the way it has shaped EU enlargement policies. According to Barbara Lippert, Germany's presidency will follow the guidelines that have been drafted in two key documents that are the Coalition Agreement and the programme of the German government for the presidency.

The Coalition Agreement reflects upon the new post-enlargement soberness and integration capacity. These reflections reveal a shift of emphasis in Germany's attitude towards enlargement. German presidency will thus confine itself to the obvious agenda of going ahead according to the progress made by Turkey and Croatia. The Coalition Agreement highlights the need for a more ambitious but also differentiated approach to the ENP. The German presidency is going to aim at a more attractive and broader offer for neighbouring countries, sorting out Russia as a case apart.

Up to now, German influence on enlargement and on Eastern enlargement in particular has been motivated by a moral obligation, the question of political identity, economic gains, manageable budgetary costs and the creation of stability in the neighbourhood. Going deeper into the East and the South of the EU neighbourhood, the intensity of these motives and the importance of material interests decrease. Lippert argues that this reflects the fact that dealing with the neighbourhood is highly dependent on proximity and the level of interdependence and intensity.

In matters of enlargement, Croatia is high on the German agenda for several reasons, one being Croatia's role as a tourist destination for Germans. According to Lippert Croatia is the only country to have a real chance for accessing the European Union during the next years. She presumes that under the German presidency negotiations with Croatia will be disconnected from negotiations with Turkey. During the Christian Democrats' (CDU) party congress in Dresden, Croatia was singled out as a special case in a basic resolution on European foreign policy. Although there should be no further enlargement unless the institutional provisions of the Constitutional Treaty have entered into force, Croatia is going to be the exception from this rule. In contrast to this, the Social Democrats (SPD) have singled out Turkey – not Croatia – in their draft party program.

The question of Turkey is going to be a test for the credibility of European foreign policy and the functionality of the coalition. Lippert argues that diverging views within the coalition are personified by Chancellor Angela Merkel, who, as the head of government, needs to accept what has been agreed upon by the 25 member states and, as the leader of her party, favours a privileged partnership with Turkey to accession.

The crisis in Cyprus has provoked similarly divergent reactions within the coalition. Lippert describes Steinmeyer as being more flexible in accepting the proposal by the Commission. In contrast to this Merkel urges for a tougher position and a revision clause.

So far, there has not been any public debate on the possible accession of the Western Balkans. Yet, the Federal Foreign Office has stated its position on the future of the Western

Balkans. According to it, the EU will play the key role for a new period of reconstruction after a process of disintegration. In this regard Serbia, as the centrepiece for future peace on the Western Balkans, is especially interesting. Although the EU should stick to conditionality, according to the Federal Foreign Office, it will face problems of implementing this approach without causing group building amongst the interlinked countries of the region. In this context, instead of only being treated as a case apart, Croatia could also become a sort of pilot country for the Western Balkans pulling the other countries together.

Lippert points out that the German presidency will face immediate tasks in the European Neighbourhood Policy. She sees the need of a contractual relationship with Russia based on the four common spaces, to prepare for an enhanced agreement with Ukraine and work out a Central Asia strategy. In this context ENP+ is an attempt to make ENP more visible, make it more focused and more binding.

One of the controversial issues in ENP is its geography and its idea of using a single policy framework for the East and the South. According to Lippert, the German government finds this way of dealing with heterogeneous group of European neighbours and neighbours of Europe inappropriate. In principle, the government agrees that a tailor-made approach would practically come about to different sets of countries and regions. At the same time, there have been voices criticizing that the ENP is unbalanced and needs to give more weight to the East. Changes concern both the political framework for dealing with countries like the Ukraine as well as the resources and the financial framework. The German mission is thus going to be to upgrade relations with the East without downgrading relations with the South. Means of achieving this objective are multilateral meetings and the introduction of a new Black Sea dimension.

In what concerns the membership question, Germany will remain ambiguous. Within the CDU, discussions on being more definitive on borders are strongly supported by Chancellor Merkel. Lippert claims that there is a strong debate within the German government to open up institutions for observers of neighbourhood countries. This could also work as a safety net for countries such as Turkey or Western Balkans if they could not meet all the criteria.

Parts of the German government question whether arrangements with Eastern neighbourhood countries need to be based on multilateral relations as well. A kind of Pan-European overarching institution could respond to the need not to politically exclude countries.

Lippert concludes that Germany will only find few partners that support its line of ENP. It can agree with France on relations with Russia. Although both countries have different

interests in the South and East, they share the attitude not to emphasize a transatlantic aspect in neighbourhood policy.

*Christian Lequesne  
Ceri, LSE, London*

Christian Lequesne cites polls that have revealed that France and Austria are most sceptical of enlargement in 2004 and of future enlargement. With the revision of the French constitution in 2005, every further enlargement after Croatia will necessitate a referendum and thus the approbation by the French people. This modification is going to play an important role once countries of the Western Balkans become candidate countries. Historically speaking, Lequesne argues, France has always been anxious with enlargement though the nature of anxiety have differed over the years.

Only a bottom up approach could put aside France's hesitations vis-à-vis further enlargement. Lequesne argues that 1989 altered European construction in a way that has not yet been entirely assumed by French society. The Cold War and the stable background that it provided to European construction are still in the mind of the French people and its elites. Consequently the French model of Europe is much focused on Western Europe and neglects Eastern Europe. Only with the nongovernmental French support of dissidents in Poland, the Czech Republic and Hungary during the second half of the 1980s did Eastern Europe enter into the mental model of French European construction.

Lequesne discerns three approaches to analyzing French anxiety. Firstly, the French fear that enlargement could bring about social damage through the privatisation of public enterprises and the reform of the welfare state. In France explications for economic changes are often based on external reasons. Thus economic transformations caused by delocalisation that often affect weak regions mobilize political opponents of enlargement.

Lequesne secondly underlines the discrepancy between French public opinion and French economy. While big French companies that are adapted to globalization have success in new member states, French society perceives the new member states as a threat. According to Lequesne one reason for this divergence is that French society does not benefit from the success of French companies. Moreover, neither rightwing nor leftwing governments have ever tried to discern economic problems from enlargement, external from internal problems. Added to this French citizens are irritated by the lack of clear borders. During the Cold War limits of the EU were stable. However, Copenhagen criteria are not sufficiently addressing the problem of borders and cultural alterity. Lequesne explains that in France the term "national"

is closely linked to territorial limits. This understanding of a nation is also deeply rooted in the French political culture. Mr Sarkozy for instance, restricts the number of countries able of entering the EU in the future to Switzerland, Norway and the Western Balkans. He thus implicitly excludes the Mediterranean and Eurasian neighbourhood.

Trying to make enlargement be perceived as a “quest for freedom” would not be understood in Gaullist France where political liberalism has traditionally been weak and where more importance has been attributed to the concepts of solidarity and fraternity. This is also one reason why enlargement and creating competition between the territories is perceived as destabilizing to solidarity and fraternity

Thirdly, the French fear a fragmentation of their country through the free trade area. Even traditionally pro-European currents have become anxious about the incompatibility of enlargement and consolidation. The notion of integration capacity is used by politicians as a means of reassuring traditionally pro-European currents. According to Lequesne the idea of a core Europe has become of age and is no longer suitable for reassuring hesitant citizens.

In a long run, further enlargement would only be accepted in France once new ways of consolidation are found. This could however only begin after the upcoming presidential elections and legislative elections. Ségolène Royal as well as Nicolas Sarkozy reject the idea of using the same text that has been refused as a constitutional treaty by the French people. According to Lequesne a new text needs to refer to social and economic policies in order to be ratified in France. Moreover traditionally pro-European elites need to create a discourse on enlarged Europe which positively takes into account the fact that Europe has changed.

*Simon Serfaty*  
*CSIS, Washington*

Simon Serfaty discusses the nature and future of transatlantic relations, of intra-European relations and of EU-NATO relations.

### **Transatlantic Relations**

Although US-European relations have improved during the last three years it would be complacent to claim that discussions are over. Simon Serfaty argues that the crisis between the US and Europe is deeper than merely a recurrence of tensions between the US and France or the decision of making use of American force in Iraq. According to Serfaty the crisis is strategic, structural and global.

It is strategic to the extent that since 1991 diverging values and distinctive vulnerabilities have emerged for the US and Europe relative to regions of the third world that have always

been a point of division during the Cold War.

In Sefarty's opinion structural problems are linked to the fact that the EU is not a political actor but an unfinished project. At the same time NATO is ill-equipped to handle the new security necessities. The terror attacks of September 11 add to this structural crisis and give it a sense of urgency, ridding the USA from its alleged immunity from war.

Simon Sefarty points out, that transatlantic relations in 2006 are in an in-between state. The current period is crucial because of the daunting agenda the US and Europe are facing. Issues at stake in Afghanistan, Iran, Iraq and Lebanon are of vital significance for the future of transatlantic relations and would hijack the German presidency in 2007 similarly to the way the US has been forced to intervene in different situations throughout the last years.

Sefarty argues that the US and Europe are on the verge of a significant political turnover amongst all of the significant states within the Euro-Atlantic space that will be as total as it was in 1979/83. Even though the crisis was not personal in the past, changes of political majorities transform considerably the dynamics of intraeuropean and transatlantic relations.

Sefarty speaks of a third revolution after the end of the Cold War and the events of 911 with regard to the failure in Iraq. It was in Iraq that, over the past three years, the unipolar moment came to an end not being equal, however, with the birth of a multipolar setting where roles and relations would be clearly established. The ENP could be helpful even from the US perspective to confront the crisis of Iraq.

### **Intra-European Relations**

Simon Sefarty depicts intra-European and EU-European relations from a US perspective. He highlights the fact that America has always been ambivalent about a closer Europe. Transatlantic relations depended to a very large extent on bilateral relationship with the French. Estrangement between the US and France since the early 1950s have defined the inability to assert a deep and unequivocal commitment to an idea to which the US gave birth after World War II, namely the consolidation of political space in Europe. Thus the approach of "Chercher la France" has been a recurring theme in US foreign policy in case of crisis. The American way to deal with the French is not punishment but isolation from the UK and Germany. According to Sefarty, this approach has been a mistake during the crisis in Iraq, as it created a coalition of discontent constructed by Chirac.

If the French had agreed on the constitutional treaty, the US would not be debating on what to do with a European Union that would no longer have the UK in its midst. Consequently, for the US, a German-French led Europe would have reinforced US ambivalence towards

Europe.

However, from a US point of view a consolidated Europe has always been aimed at. Enlargement was welcomed by the US because it ensured geopolitical stability on a larger scale. The EU and its enlargement hence became a space of containment regarding the Soviet Union and determined US influence by creating a wide range of choices for bilateral cooperation. By favouring enlargement of the EU, the US made it possible to achieve a convergence between the European membership of NATO and the EU, a very helpful overlap. While, in the US, a deeper Europe raises concerns about Europe as a counterweight, a larger Europe is seen as a counterpart to the US.

### **EU-NATO Relations**

Sefarty argues that European construction ever since Truman has been thought to fail. He claims that the history of US-European relations is conditioned by European failures and not by American successes. From a US angle the EU is in a deep crisis for reasons which have little to do with US influence. Europe is not yet a new kind of political unit; it is a power in the world but not a world power because it lacks the cohesion and the capabilities. New and distinctive enlargement is going to be related to the ability of the EU to adapt to new formulas for interacting with external powers. The EU needs to make up its mind about what kind of a role it wants to assume in the emerging multipolar context. In Sefarty's opinion there should be privileged terms in the nature of the relationship between the EU and the US. The US should not be viewed by Europe as a state like any other, as the issue of EU-US relations is not an American but a European issue. Sefarty recommends that the EU cease focusing on its institutions and begin to focus instead on the nation states that populate the institutions. He appeals for the 33 member states of the EU and NATO to jointly confront challenges of the future.

### ***Discussion***

#### **France and Germany**

Today Germany is less enthusiastic about enlargement than it has been in the past, so that the Franco-German perception of enlargement might converge. French thoughts on a deepening process have been welcomed in Germany. However the *Mini Treaty* is insufficient for Germany that is favouring the use of the constitutional treaty signed by 18 member countries as a basis. As a compromise the French will have to move towards a full treaty and the Germans towards a *Mini Treaty*.

## **EU-US relations**

There have been several attempts by the EU to develop power as a unit. The first one, the European Defence Community was warmly endorsed by the US. The second one, eight years later, was reflective of that misadventure of a somewhat virginal America relative to the construction of Europe at the time of the De Gaulle-Macmillan deal in Rambouillet in 1962.

The US has worked as a federator for Europe since World War II and should continue to do so. However, the US support for a strong Europe has always been dependent on what policies Europe pursued. There has been a shift in American policy through the Bush administration that had been very sceptical on a strong Europe in the beginning. In February 2005, Bush spoke out for a strong Europe as he understood that it was beneficial for the US. This opinion has now become a general consensus in the US.

Two problems define US ambivalence towards Europe, apart from the complicated US-French relationship. That is the UK-French relationship as well as the position of Germany. Although Britain still enjoys privileged advantages to sustaining a relationship with Washington even if at the expense of Europe, it needs to come to terms with the reality of its entanglement with continental Europe.

## **ENP**

The ENP remains too ambivalent. Its instruments and the instruments for accession are too similar. In the Caucasus, particularly in Georgia, the ENP is understood as a first step towards accession. Countries are only willing to accept conditionality as a process that will one day lead to entering the EU. As most of the aspiring countries are mainly expecting financial support by the EU, the offer of money might replace a decision-making capacity and could turn the ENP more effective. At any rate the EU needs to draw a lesson from the fact that Turkey has been an accession member since 1963 without great progress. However, it would be ignorant of neighbouring countries not to accept what is offered by the ENP. The EU is cautious about drawing the red line sharper as it is afraid of shattering its cohesion.

Eastern European countries and Northern African countries are treated alike in the ENP. There are qualitative differences that the EU has made for its Southern and Eastern neighbourhood. Concerning the Eastern neighbourhood the EU is proactive and wants to create more democracy, more stability and economic gains. In the South the EU's position is much more passive for the fear of a migration wave. In the ENP, the German Presidency wants to focus on the East whereas the succeeding Portuguese presidency wants to pay more

attention to relations with the South. However, if the ENP changes policies every half a year it will lack the necessary level of continuity.

Singling out Croatia will have serious implications for the cohesion in the Western Balkans. It would necessitate that the status of all the countries left behind are upgraded in the institutional framework of the EU so as to avoid a higher level of instability. After changes in Bosnia and Kosovo a new wave of instability could be created in the Western Balkans that the EU might not be able to face without the necessary crisis prevention mechanisms. There are two different approaches to the modernisation of the Western Balkans. The EU approach foresees that once the institutional framework, Acquis communautaire, is achieved the countries enter. The World Bank approach forecasts that no institutional framework could work as long as these countries remain on their very low level of development and as long as generating sustained development cannot be guaranteed. Despite this criticism the EU's institutions and the ENP are working out satisfyingly. Concentrating too much on debates could turn issues into crises.

### **Social Welfare State**

When discussing the decline of the Welfare State, in France or elsewhere, one has to consider that it was created 30 years ago with high growth rates and under different circumstances. Today, education has become more important, people start working at 25, they retire earlier and the average life expectancy has risen. Consequently the working span has decreased which makes the social welfare state unsustainable. The problem is, however, that the public opinion has often nothing to do with the actual economic situation. Increasing the importance of social issues in a new constitutional treaty would however not be accepted by the UK. Thus, a declaration or a protocol should be written as a “cosmetic change” for the French to accept the constitutional treaty.

## CONCLUSIONS

*Chair Person: Hans Stark, Cerfa/Ifri*

***Dominique David***  
***Ifri, Paris***

Dominique David argues that the French population fears that enlargement will automatically entail further enlargement. This feeling of insecurity is created on two levels. On one hand national power, that takes a central role in French political culture, is influenced by EU construction. On the other hand unlimited enlargement endangers the European Union, a second point of reference for the French. From a French political view stability can only be provided by political unities. Enlargements are thus seen as a deconstruction and dispossession of the European Union.

Since 1990, the notion of a universal world without serious crisis but singular difficulties has made France confound actors of international systems (UNO, NATO) with international actors. David sees the EU in between the two. As a system the EU does not need a constitution whereas it requires general approbation as an actor. He links the refusal of the constitutional treaty in 2005 and the profound crisis that the EU is undergoing to a lack of comprehensibility. It is unclear what was going to be constructed with the EU; too little is there an understanding of the dichotomy of international systems and international actors. Thus definitions need to be made and explained to the citizenry.

Regarding transatlantic relations, Dominique David estimates that the US impact on the EU's policies will be rather small in the next years as the US is occupied with the crisis in Iraq. Even though the multipolar international system will have its centre in the United States for a long time, the US will need allies in the future and will rather rely on actors than on systems for this support.

***Mathias Jopp***  
***IEP, Berlin***

Mathias Jopp sums up the most crucial topics treated in the different panels. In the first panel integration capacity and possible solutions to further enlargement were sought. One focal question was how to combine deepening ambitions with the objective of widening. Solutions were discussed for deepening such as the reinvigoration of the constitutional process and the creation of a *Core Europe*. The session has revealed a consensus on the necessity of deepening and flexibility within the Union. It should be made much clearer in the

public debate what would happen if the EU would fail both internally and externally and what the cost of “Non-Europe” might be.

Mathias Jopp summarizes the second session on the implications of EU enlargement for NATO and the ESDP. It may well be the case that NATO keeps on enlarging due to a vacuum created by the EU. According to Jopp burden sharing between EU and NATO has not been sufficiently discussed in the panel.

In the third session, discussion on enlargement and the ENP have made clear that Germany and France are converging much more than before. Turkey remains a contested case within the coalition government but also across all of the parties in Germany. For the time being, with what it offers the ENP is a rational approach for the EU. The future of it will depend to a large extent on what its addressees will make out of it. As the EU cannot enlarge forever accession will become more and more difficult. A natural end of EU expansion is determined to happen with approximately 29 to 32 members. Throughout the panel discussions it became clear that there are different views on how deep the crisis of the EU really is.

US ambiguities about a strong Europe are outdated according to Jopp as Europe has departed from its view on transatlantic relations through enlargement. The UK and the new member states are very strong and will keep an eye on the wellbeing of the EU’s perspective on transatlantic relations. Europeans may be more reluctant to use force in order to address certain problems, but the idea of EU as a counterweight is irrelevant today in Jopp’s opinion. Lessons learnt on both sides of the Atlantic will hopefully lead to cooperation on challenges of the 21<sup>st</sup> century.