



Robert Schuman

**How Much Diversity
Can the European Union Withstand?**

– Ania Krok-Paszkowska



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How Much Diversity Can the European Union Withstand?

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How Much Diversity Can the European Union Withstand?

Introduction

The most recent, fifth enlargement bringing in ten new member states has been the largest and most challenging so far. It has led to an unprecedented import of political, economic and cultural diversity into the EU. Enlargement is the result of a long and complex accession process, during which the candidate states strove to meet the membership criteria while the Union aimed to improve its ability to absorb the new members. Despite this process of mutual adaptation, there is a lingering fear that the “new” members are not yet truly compatible with “old” members. But it is not only the import of diversity that is worrying some of the founding members of the EU. The depth and scope of the latest enlargement is likely to change the very nature of Europe and European integration.

There has been growing skepticism within the Union about the ability of its institutions to cope with the challenges of such a large and increasingly diversified entity. It has been argued that a 25-member Union is likely to resemble a multi-functional, multi-layered, and highly diversified empire rather than a classical Westphalian state with clear borders, coherent institutional structure, and a single foreign policy (Zielonka 2001). For the time being though, there has been no radical rethinking of the institutions and structures of the Union. However, a Constitution for Europe has been drawn up which attempts to address some of the challenges facing European governance. Although its provisions are hardly revolutionary, it does provide a single text to replace all the complex existing treaties and it has more clearly defined the areas of Union competences.¹

This paper will analyze the most recent enlargement in terms of the welfare gaps between “old” and “new” member states, differences in democracy and political culture, as well as foreign policy and attitudes to the United States and Russia. It will then consider how this is likely to affect the functioning of EU institutions and structures. It will argue that to cope with such diversity, there needs to be a culture of accommodation and compromise and a degree of trust in European institutions. Are the new members, given their recent history, ready to act in this way? And are the old members ready to accept the changes an enlarged EU will inevitably bring with it?

Eastern enlargement and institutional adaptation

The end of the Cold War opened the way to a far larger potential membership of the EU than ever before. With the sudden collapse of communism in Central and Eastern Europe

¹ A three-tier system sets out “exclusive” and “shared” competences as well as areas of “supporting” action. The principle of subsidiarity has been strengthened and the instruments for action have been simplified. Draft Treaty establishing a Constitution for Europe as approved by the Intergovernmental Conference on 18 June 2004.

after 1989, the newly liberated countries started their transitions from authoritarian rule to democracy. In the early 1990s it was still far from certain whether these countries would become stable and prosperous democracies. There was a fear that if their transitions to democracy and a market economy were unsuccessful, their problems could seriously affect the western part of Europe.

From the start there were fears that a large-scale enlargement could threaten the progress the Union had already made in integration. Before the fourth enlargement taking in the three formerly non-aligned countries of Austria, Finland and Sweden in 1995, a twelve member Union had seemed to be a good and reasonable size for the European project. A mini-enlargement had taken place in 1990 when the five eastern Länder were absorbed by the Federal Republic of Germany and hence the EC. At the time there was very little interest in any further widening; at least until the single market program was completed. The twelve were primarily concerned with consolidating and deepening. The Treaty on European Union was signed in Maastricht in 1992. The Maastricht Treaty produced some changes in the structure and competences of the EU. It set forth a series of objectives, including the establishment of a single currency, EU citizenship, a more assertive role for the Union in foreign policy, and closer cooperation in justice and home affairs (JHA). However, ratification of the Maastricht Treaty proved to be a very complex and difficult process. Britain negotiated a number of ‘opt-outs’ from provisions on the common currency, the Social Charter and later refused to participate in the Schengen Agreement on the elimination of internal borders. Denmark obtained opt-outs in the areas of monetary policy, defence and JHA. Maastricht thus represented the first officially sanctioned moves towards a multi-speed Union. It was becoming clear that in an ever wider and more diversified Union the fit all solutions were increasingly inadequate.

In June 1993 at the Copenhagen European Council opened up the perspective of enlargement and in 1994 the first two newly democratic Central and Eastern European countries (CEEC’s), Hungary and Poland officially submitted their applications for EU membership. By the mid-1990s ten CEEC’s (as well as Cyprus and Malta) had formally applied for membership and it was clear that successful enlargement on this scale would require a radical rethinking of core EU policies and its institutional design (Sedelmeier and Wallace 2000). Already in 1994, just prior to the accession of Austria, Finland, and Sweden, the European Parliament had threatened to block enlargement unless the member states agreed to hold a new IGC on institutional reforms. Moreover, the Maastricht Treaty itself had specifically provided that a further IGC should take place in 1996. This resulted in the 1997 Amsterdam Treaty which provided for the progressive establishment of an area of freedom, security and justice, extended the scope of communitarian policy-making in justice and home affairs, and came up with a new set of tools in the field of foreign and security policy. Also important was the introduction of “flexibility” – aimed at increasing the scope of action within the Union’s institutions by less than the full compliment of member states. However, many of the institutional reforms necessitated by impending enlargement, the so-called Amsterdam leftovers, were postponed until the next IGC in 2000 which took place against the background of negotiations with the CEE candidate states. The EU had committed itself to “maintaining

the momentum of European integration”² but the 2000 Nice Treaty did little to reform the decision-making capacity of the Union. It was sadly lacking in vision limited as it was to the three institutional left-overs from Amsterdam (size and composition of the Commission, weighting of votes in the Council and extension of qualified majority voting). The difficult compromises reached in Nice complicated rather than simplified the EU’s decision-making process and did little to improve efficiency or transparency.

However, concern with the internal functioning of an ever wider Union could not prevent the next wave of enlargement. External developments affected its economic and political functioning meaning that the Union could not afford to concentrate only on the efficiency of its institutions.

For the old members, however, enlargement came at a price. Of course enlargement meant that there was likely to be greater stability and prosperity to the East and South, and greater access to markets and investment opportunities. At the same time though, enlargement also meant that more states would have access to decision-making. Moreover, these new states were likely to have new and perhaps conflicting priorities. There would be more pressure on limited resources. And there would be far greater structural diversity within the EU in terms of income and wealth, law and administration, local habits and culture, and languages. Hence attitudes especially of the general publics in existing member states were often cautious and somewhat ambivalent with respect to enlargement.

Conditional accession

Diversity in the fields of economics, democracy and foreign policy is usually seen as being a challenge and even a threat to integration. Much of the literature on the progress of European integration has judged its success by the degree of “cohesion”, “convergence” or “integration” achieved (Wessels 1997; Leonardi 1995). In accession negotiations the applicant states were required to implement a set of conditions that were aimed at making them EU compatible. The objective was to get full adaptation, implementation, and compliance with the *acquis*. The negotiating process was aimed at streamlining and unifying where possible. The candidates were first assessed or “screened” and then regularly monitored to ensure that accession could only take place once they had met the envisaged targets. However, accession conditions, especially the economic and institutional, i.e. administrative capacity to apply and implement the *acquis*, criteria represented general principles rather than well-established and uniformly applied norms. They were difficult to apply in an objective and consistent way.³ The screening process was uneven and subject to discretionary interpretations. In the end,

² European Council, Copenhagen, June 1993. Conclusions of the Presidency, *Bull.EC* 12-1993.

³ This was underlined in interviews with applicant countries’ heads of mission to the EU. While they agreed with the principle of EU’s policy of conditionality, they were worried about the subjective nature of these conditions. See Ania Krok-Paszkowska and Jan Zielonka, “The EU’s Next Big Enlargement: Empirical Data on the Candidates’ Perceptions, *EUI Working Papers, RSC No.2000/54*.”

many of the decisions taken within the process of enlargement were the result of hard and largely unpredictable political bargaining rather than a carefully worked out design.⁴

As mentioned, one of the main sources of anxiety has been the perceived level of diversity in the enlarged EU. There are still worries that the post-communist states from Eastern Europe may not fit in well with Western European states. The new members are functioning democracies which share the core values of the EU. However, upon joining the Union they had been democracies for just over one decade. Of the ten new members, six are newly (re)established states, and one, Cyprus is still divided.⁵ Faced with taking in fragile democracies the EU devised the Copenhagen political criteria but there are no guarantees that liberal political values will continue to be implemented once a country is a member. Moreover, although the CEEC's transformation to competitive market economies has been virtually completed, they are much poorer than West European states. Their institutional infrastructure constitutes the basis for good governance, but their economic, legal and administrative structures are less developed.⁶ They also have their own distinct histories, societies and cultures. They have different foreign and security preoccupations. The European Union is thus a much more diversified entity following this most recent wave of enlargement.

Even so, there already was a significant degree of diversity within the European Union of fifteen. The Union now has more countries, but there are still large countries and small countries in the Union, there are the rich and the poor, the original six and late-comers, the Protestant and the Catholic, those worried about American power and those allied with it, those with socialist governments and those with conservative ones, as well as unitary nation states and states with powerful regions. Each EU country is likely to belong to several groups at the same time, opposing some countries on some issues and joining them on other issues.

Cost of enlargement and welfare gap

The accession of the CEE states has highlighted differences in levels of economic development and welfare. At the time of accession, the new members had an average GDP *per capita* of only 40 per cent of the existing members (at purchasing power parity). When Spain and Portugal joined the European Communities in 1986 they had an average

⁴ For instance, the insistence by Germany that Poland would be included in the first wave of enlargement or Cyprus' accession as a divided island.

⁵ A referendum on the Annan Plan for a comprehensive settlement of the Cyprus problem was held on 24 April 2004, just days before Cyprus' accession to the European Union. The Greek Cypriots voted against the Plan (75.8%) with a turnout of 88%; the Turkish Cypriots voted 64.9% (87% turnout) in favour of the Plan. The Republic of Cyprus joined the EU as a divided island on 1 May 2004.

⁶ The Phare transition facility for institution-building has been set up for the period 2004-2006. It provides financial support for new member states to strengthen their administrative capacity for the implementation of Community legislation and to foster the exchange of best practices. See http://europa.eu.int/eur-lex/budget/data/D2004_EUR25_VOL4/EN/nmc-titleN1A447/nmc-chapterN1A8B0/articles

per capita GDP of no less than 70 per cent of the existing EU. Critics of enlargement have argued that such economic disparities will create pressure for large financial transfers from rich to poor member states, prevent the new members from fully implementing the existing *acquis*, and disrupt the smooth functioning of the EMU and the single market. However, it should also be remembered that there is a vast difference in the economic size of the EU-15 and the 10 new member states. The total GDP at market prices and current exchange rates of new members is less than five per cent of the GDP of the EU comprising 15 states. The small economic size of new members means that relatively small amounts of funding (from the older richer members' point of view) will go a long way and make a difference to the new members. Indeed, one of the problems in allocating funds has been the limited absorption capacity of recipients.

Moreover, growth rates have been generally higher in the states which have recently acceded to the EU than in the old member states, and some are now growing at more than twice the rate of their Western neighbors. Experience with previous enlargements shows that EU membership is a powerful factor fostering growth rates in new members, and this in turn helps to achieve convergence in income. Moreover, welfare gaps existed within the EU of 15 and they caused few economic problems. For instance, Austria's GNI per capita is more than double that of Portugal. The gap between Sweden and Greece is even greater. And Luxembourg's GNI per capita is nearly twice as high as that of Sweden or Austria.⁷ It has also been argued that what is important is the health rather than the wealth of an economy. Most CEEC's are "small, dynamic economies with institutional frameworks and financial sectors that are adequate and in some cases even better than could be expected for their level of development."⁸

Nevertheless, it is this very dynamism which is beginning to worry some of the older members of the EU. There is a fear that the new members are taking over the economic agenda, introducing "aggressively liberal market reforms, including lower taxes to lure foreign investment and promote growth."⁹ Just as Ireland was in a previous enlargement, the new periphery of the EU may prove to be more dynamic than the core. Estonia, Latvia, Lithuania and Slovakia have introduced flat tax rates on corporate and personal incomes.¹⁰ This has led to fears that jobs will be lost and investment will be lured to low tax countries. The reaction of countries such as France and Germany with sluggish economies and over-regulated social systems and labor markets¹¹ has been to

⁷ For detailed statistics see www.europa.eu.int/comm/eurostat

⁸ Jean-Luc Dehaene and Ania Krok-Paszkowska, *Report of the Reflection Group on the Political Dimension of EU Enlargement: Looking Towards Post-Accession* (Florence: European University Institute 2001), p. 33. See also Daniel Gros, "Health not Wealth: Enlarging the EMU", *West European Politics* 25 (April 2002), pp. 141-150.

⁹ Bowley, Graham. "Defining the enlarged EU: East Europeans are forcing a reappraisal", *International Herald Tribune* 9 March 2005, pp.1, 8.

¹⁰ Centre-right opposition parties in the Czech Republic and Poland are now also supporting the idea of flat taxes. See Charlemagne – "Flat is beautiful", *The Economist*, 5 March 2005, Vol.374, issue 8416.

warn the new members of unfair competition, to demand that they raise taxes, and to block a draft directive to allow service businesses from any member state to operate throughout the EU.¹² Belgium, Sweden and Austria have also voiced concerns, with Austria recently announcing it would cut its tax rates. Some of this is for internal consumption. France in particular is faced with a referendum on the EU Constitutional Treaty which may be difficult to win.¹³ However, as has been shown the EU-15 already tolerated a large degree of diversity. The accession of Eastern European states is making a difference, disparities are more visible, more striking and probably more challenging, but the changes that need to be made are not restricted to new members only. Indeed, competition from the new members is putting pressure on “core” EU economies such as France, Germany and Italy to carry out significant reforms in their labor markets and pension systems. Several of the new members have been more successful in making progress towards meeting the goals of the EU Lisbon economic reform agenda to become “the most dynamic and competitive knowledge-based economy in the world by 2010” (Murray and Wanlin 2005).

Political culture and democracy

The truly historical dimension of this enlargement has been the promise of peace, prosperity and democracy to countries which have had precious little of any in past decades.

In the field of democracy and political culture, there is no clear East-West divide, at least from the formal point of view. All new members are either parliamentary or semi-presidential republics. They all have constitutions providing checks and balances between different branches of power. Citizens’ basic rights and freedoms are also guaranteed by law. NGO membership density per million of population, although it varies from country to country, does not show particular differences between the Eastern and Western parts of the Union. In sum, a comparison of formal laws and institutions does not reveal any particular pattern of divergence between old and new EU members. Nor is there a striking East-West divide when we look at independent evaluations of democracy, rights and freedoms (Fuchs and Klingemann 2002).

¹¹ The CEEC’s had to reform and adapt their labour markets and welfare systems during the course of their transformation from planned to market economies. Indeed, in many cases they have been more radical and successful in carrying out reforms than the EU-15, which in many cases have not been able to adapt to changing circumstances. See János Mátyás Kovács, “Approaching the EU and Reaching the US? Transforming Welfare Regimes in East-Central Europe: Rival Narratives”, *West European Politics* April 2002, pp.175-204.

¹² The Commission’s draft directive (Proposal for a directive on services in the internal market, COM (2004)2 final (5 March 2004) at www.europa.eu.int/comm/internal_market/en/services/services) was aimed at creating an internal market in services, opening up European markets to competition so that services providers would be allowed to offer their services across national borders. The services sector makes up 70% of the EU economy. The proposed plans are now set to be significantly watered down, to the dismay of some of the new members. See Ivan Miklos, “Europe must look within for ways to compete”, *Financial Times*, March 23, 2005, p.19.

¹³ “Poll shows French cooling on EU treaty”, *Financial Times*, March 19-20, 2005, p.1.

Nevertheless, in interviews with CEE heads of mission to the EU, several mentioned that inclusion in a Union of countries with established democratic traditions would help them overcome the legacy of decades of dictatorship and weak democratic heritages (Krok-Paszkowska and Zielonka 2000). It has proved to be rather difficult to achieve a participatory political culture. Successive governments have pursued neo-liberal economic policies and largely ignored their social impact. This has led to a wide gulf between political elites and their electorates. Political parties are weak and often alienated from society. Party competition has been rather confrontational.¹⁴ There is a danger of charismatic leaders emerging with promises of easy solutions to economic and social hardship by preaching intolerance, exclusiveness and a rejection of compromise. So far, however, such populist appeals have resulted in limited electoral success. And several Western European states such as Austria or Belgium have also seen the rise of populist politics based on symbols, myths and nationalism.

There is of course greater cultural diversity after enlargement. This again is nothing new. There were considerable differences not only between, but within the national cultures of the old EU member states. After 50 years cultural plurality still persists and enlargement is unlikely to make that much of a difference to the emergence of a single or easily identifiable European *demos* or even pan-European identity. However, the EU can hardly become a democratic polity without a distinct community sharing certain beliefs and values. This does not necessarily have to be a shared 'single' identity but the various peoples must have enough in common to agree to manage their affairs collectively (Nicolaïdes 2004).

Foreign policy and attitudes towards the United States and Russia

The different policy agendas within an EU of 25 means that a great deal of time and energy must be spent within the CFSP framework to diffuse internal conflicts. The new external borders of the EU are likely to leave it more exposed to external shocks, especially in the near abroad.

For the EU-15, enlargement was the first foreign policy priority. This has now been achieved. The French and Spanish accepted Nordic (EFTA) enlargement and eastern enlargement in return for greater engagement in the Mediterranean, i.e. 1995 Barcelona process. The new northern members of the EU, especially Finland sponsored the 1995 Northern Dimension. Partnership and Cooperation Agreements were concluded with most states emerging from the ex-Soviet Union and in 1999 a Stability Pact for

¹⁴ Party political conflict has been based largely on values and ideological options rather than emerging group interests making it more difficult for parties to operate in a consensual way based on negotiations and compromises. Leadership styles have been very competitive. Jacek Wasilewski (1994). "Scena polityczna w postkomunistycznej i postsolidarnosciowej Polsce" in Jacek Wasilewski (ed.), *Konsolidacja elit politycznych 1991-1993* (Warszawa: PAN ISP), pp.9-50. See A. Seleny (1999), "Old political rationalities and new democracies. Compromise and confrontation in Hungary and Poland", *World Politics* 51 (4), pp.484-519. Also H. Kitschelt, Z. Mansfeldova, R. Markowski and G. Toka (1999), *Post-Communist Party Systems. Competition, Representation and Inter-Party Cooperation* (Cambridge: Cambridge University Press).

South-eastern Europe as well as a process of Stabilization and Association Agreements was set up.

With 10 new members mainly from central and Eastern Europe there is likely to be somewhat of a shift in emphasis to relations with neighbors in the immediate vicinity. For historical reasons and due to their geographical proximity to Russia, the CEEs are probably more sensitive to possible security threats than western Europe. They are also interested in stable Balkan neighbors having been more closely affected by the Balkan wars of the 1990s. Especially among parties of the right and former opposition in the CEEs, there is a more tough-minded attitude to territorial security. This is in marked contrast to the EU-15 which tended to see security more in terms of international organized crime and immigration.

Most of the new member states are thus likely to promote a more assertive stance towards Russia and its role as a regional power. There is greater emphasis on the new eastern borders of the EU, with Poland in particular pushing the so-called “Eastern Dimension” aimed at greater political and economic cooperation and a wider scope of collaboration with Eastern neighbors.¹⁵

In terms of attitudes towards the United States, the CEEs have tended to see alliance with the United States as a means of escaping from centuries of domination by Germany and Russia. The pro-American stance of new member states such as Poland led to it being described by some as an “American Trojan Horse” within the Union. However, there is little evidence of a clear and consistent cleavage between old and new EU members when it comes to America. Individual member states have a complex set of diplomatic relationships within and across EU borders and they pursue their security in a different manner depending on the case and circumstances of the day. There is indeed considerable heterogeneity both within and between the former EU-15 and the 10 new member states.¹⁶

How much diversity

How much diversity can the EU withstand? The answer depends on what kind of EU one wants to emerge. Not all visions of European integration are compatible with a workable

¹⁵ Włodzimierz Cimoszewicz, “The Eastern Dimension of the European Union: the Polish View”. Speech at a conference on *EU Enlargement and Neighbourhood Policy*, Warsaw 20 February 2003. In a speech in Nicosia, Cyprus on 17 March 2005, President Kwasniewski reiterated Poland’s desire to be at the forefront of the EU’s neighbourhood policy and to promote democracy-building in nations on its eastern borders.

¹⁶ States with former colonies tend to have greater interests outside “Europe”. There are also quite different attitudes to a European Defense and Security Policy. Countries such as Belgium or Italy have advocated the creation of a common European army while Britain or France with strong national military traditions and a history of deployment abroad (old colonies), are willing to cooperate in joint missions but not to set up a common army. New members are likely to insist on linkage to NATO. For others such as Ireland or Sweden even peacekeeping missions may be a step too far. See Pal Dunay and Jean-Luc Dehaene, *Boxes: Why CSFP and CESDP do not matter much to EU candidate countries*, European University Institute, RCAS Policy Paper No.01/5, Florence 2001.

enlargement. If unity is the aim of integration, differences in structure and behavior will be seen as being undesirable and as an obstacle to be overcome. However, a highly centralized and unified EU super-state is now rather unlikely. “Federalism” disappeared from the ICC agenda in 1996-7 after the failure at Maastricht to introduce greater elements of federalism – mostly through British but also Danish opposition.¹⁷ It was shortly re-introduced by Joschka Fischer in his speech at Humboldt University,¹⁸ but on the whole there has been a shift away from readily recognizable models. Uniform models of European integration have been countered by the development of concepts of subsidiarity and flexibility. Despite the fact that applicants in the most recent wave of enlargement were not allowed the various opt-outs that had been negotiated by some member states of the EU-15 in the areas of foreign, monetary, social or border-related policy (e.g., the Schengen *acquis*), an EU made up of 25 member states is likely to be an EU made up of ad hoc alliances and shifting sub-groups. Even before enlargement the finance ministers of the twelve Euro-zone countries met separately before the full meeting of 25. More recently in the field of foreign policy, the so-called big three, Germany, France and Britain have been conducting talks with Iran. France, Germany and Spain held a mini-summit with President Putin. Germany, France, Britain, Italy and Spain meet to discuss matters of JHA.

All this fits in well with the preferences of new members who have only recently emerged from communist rule and Soviet hegemony. The new members want the security and cooperation as well as economic growth provided by the EU, but they also want to keep their sovereignty and independence.¹⁹ They also question one-fit all models of EU integration, calling for looser cooperation and less interference from Brussels.²⁰

It is clear that the nature of integration is changing. Diversity will not be limited to differences between the old and new or east and west. There are differences between north and south, small and large, rich and poor, original six and later entrants, unitary states and federal states, states with strong regions...Indeed the more differences there are the fewer clear cut divisions there will be. Each member is likely to belong to several categories at the same time and oppose some countries on some issues while agreeing with them on others. Ways of doing business will also inevitably change. It is quite impossible for 25 members to have meaningful exchanges on complex issues in a plenary session. We may see the emergence of “committees” of groups of countries with common

¹⁷ “Federalism” as portrayed by British Prime Ministers Margaret Thatcher and later John Major implied more centralized control from Brussels and moves towards the emergence of a “super-state”. Of course, the word “federal” has different meanings in different member states.

¹⁸ See http://www.auswaertiges-amt.de/www/en/ausgabe_archiv?archiv_id=1027

¹⁹ See for instance speech by Latvian President. At http://europa.eu.int/futurum/documents/speech/sp040602_en.htm; also speech by Slovenia’s Foreign Minister, http://europa.eu.int/futurum/documents/other/oth030701_en.pdf.

²⁰ Miklos, *op.cit.*, note 12.

interests fleshing out positions.²¹ There is a possibility of “enhanced cooperation” through the creation of “core” groups of states willing and able to push integration forward in certain policy areas.²² However, new members worry that any move towards a “core” Europe would lead to differentiation and de facto exclusion, while some older members are not that happy about any moves towards deeper integration. The import of additional diversity may result in a more intergovernmental mode of European co-operation, although the mainly small new member states may soon discover that communitarian solutions protect them from domination by large member-states.

An ethos of accommodation

The increased size and diversity of an EU made up of 25 states thus poses significant challenges. The EU institutional structure was originally designed for a much smaller community:

“The buildings which constitute the European Union, originally designed for a family of six, must accommodate an ever-growing number of residents. It is not surprising that the buildings are regularly redesigned, extended and redecorated as the growing number of inhabitants demand new amenities, better security and improved decision-making in the residents’ association” (McDonagh 1998:4).

Short of building an entirely new edifice, such overcrowding requires great forbearance, flexibility and creativity. It was already difficult to get 15 states in line; adding ten more states will only make the task more difficult. Yet decision-making stalemates have often been avoided through the escape routes devised by the actors involved (Wallace 1996). The Commission, but also member states, have been very resourceful in finding ways out of and around deadlock situations. This has included creating imprecise or ambiguous framework legislation which only later reveals its binding power, searching for new partners or greater support by redefining or slightly shifting the focus of planned policies, or changing the legal basis of policies in order to avoid demanding decision-making rules.²³ According to Adrienne Héritier, in a very diverse polity, accommodation and compromise seeking becomes the key feature of decision-making.²⁴ A multiplicity of various and differing interests creates opportunities for trade-offs between partners. However, in a consensus based decision-making system there has to be a willingness to make things work. A participant in the process of negotiating the Amsterdam Treaty recalls that negotiations have been traditionally

²¹ The Dutch presidency (July-December 2004) experimented by dividing the 25 members into three sub-groups presided by the former, current and upcoming presidencies during informal Council meetings on competitiveness.

²² (Art. I-44, Draft Constitution for Europe).

²³ See Adrienne Héritier, *Policy-Making and Diversity in Europe. Escape from Deadlock*, (Cambridge: Cambridge University Press, 1999), p. 2, 87-98.

²⁴ Héritier, *op.cit.*, p. 8. See also Lisa L. Martin, “Heterogeneity, linkage and common problems”, in *Local Commons and Global Interdependence*, Robert O. Keohane and Elinor Ostrom, eds., (London: Sage, 1995), pp. 79-91.

conducted in a spirit of cooperation rather than confrontation.²⁵ Of course this was easier in a small community where personal relations could be built up at various layers. It was also easier when there was some sense of where one was going. Up until the mid-1990s most member states actively endorsed the objective of deepening the process of integration, although a minority has been somewhat reluctant to embrace this wholeheartedly.

Working together in the enlarged EU will require a process of mutual adaptation. Among some of the founding members there is a feeling that this is a Union they no longer quite recognize.²⁶ There is no longer a clear sense of direction. Little is left of the vision and commitment of the founding fathers. Nor is there anything resembling the triumvirate of Delors, Kohl and Mitterand in European affairs. The shared feeling of common purpose leading to an “ever closer union”, even if that aim was never clearly defined, has been replaced by concepts such as effectiveness, openness, distance from citizens and their concerns.²⁷ This trend had admittedly started already before the most recent enlargement, but it is now even more apparent.

With respect to concerns of citizens which shape government agendas and therefore national attitudes towards Commission policies, the import of greater economic and political diversity does present considerable challenges for policy formulation. The reaction of founding members such as France and Germany, when confronted with what they perceive as challenges from new members (in the form of unfair competition or “social dumping” from new members) has not been to seek deeper cooperation within a “core” group but to retreat into protecting their national interests. In particular they have leant heavily on the Commission to get their way on the Stability and Growth Pact, to introduce a greater commitment to Europe’s social model in the Lisbon Agenda, and to dilute the proposed liberalization of services directive.²⁸ This attitude stung the European commission president, José Manuel Barroso into remarking that some of the 15 old member states had not yet adapted to the idea of an enlarged Europe. He added: “Some people think the European Commission is there to protect the 15 against the new 10 – it is not. It is there to promote the general interest of Europe.”²⁹ But new states have also taken an instrumental stance towards the Commission, accusing it of bias and unreasonableness in matters which they claim affect their national interests. For instance, Cyprus has consistently blocked any progress on two proposed Commission regulations

²⁵ McDonagh argues that what has made the European integration process work has been the ethos of accommodation which goes much deeper than any formal unanimity requirement (McDonagh 1998).

²⁶ See for instance, Philip Stevens, “France begins to question the rationale for Europe”, *Financial Times* 18 March 2005, p.13, or “Europhile hearts miss a beat as Berlin and Paris turn on Brussels”, *Financial Times* 23 March 2005, p.2.

²⁷ *White Paper on European Governance* at http://europa.eu.int/comm/governance/white_paper/index_en.htm

²⁸ See *op.cit.*, footnote 12.

²⁹ See “Barroso vows to defend new Europeans”, *Financial Times* 14 March 2005; “Competing visions blind EU25 to common good”, *European Voice* 17-23 March 2005, p.9.

aimed at lifting the economic isolation of Turkish Cypriots.³⁰ There is a tendency to view any difference in opinion in terms of zero-sum games. The government of the Republic of Cyprus has accused the European Commission of taking positions that did not conform to the *acquis communautaire* and even considered taking legal action.³¹

There is also a lack of understanding of how things are done in the EU. Informal understandings are vulnerable if members do not play the game according to unwritten but commonly accepted rules. In May 2004 agreement was reached on a draft directive on the patentability of computer-implemented inventions. However, formal adoption of a common position was repeatedly delayed when Poland dropped its support. This was followed by a request from the European Parliament that the Commission re-submit its proposal so that the legislative process would start again from scratch. This set a worrying precedent. One official put it as follows: “If we break political agreements, the system will stop working”. Another insisted: “Loyal cooperation is an important principle of EU law that we have to respect. [...] We cannot bring governments before the Court of Justice for such a thing. We have to rely on trust”.³² Czech members of the European Parliament from the club of the Civil Democratic Party (ODS) are worried about the emergence of a “super-state” if the draft Constitution is adopted. One of their criticisms of the process was that the Convention’s internal procedural mechanisms were not democratic since decisions were arrived at by “consensus” rather than by democratic vote.³³

There is still a learning process to be gone through. There is no habit yet of pooling sovereignty, especially since many of the new members are also relatively new states. With so many competing but also overlapping interests, there is a danger of parochial interests holding the rest to ransom. Of course, national interests have always

³⁰ Two proposals have been submitted on 7 July 2004. One deals with financial aid worth 259 million euro, the other is a proposal to allow direct trade from the north to the EU. The Cyprus government, supported by Greece, is willing to agree to the financial aid regulation if it is decoupled from the direct trade regulation which it sees, *inter alia*, as a move to illegally open ports in the northern part of Cyprus. See “Cyprus and EU Commission disagree over Turkish Cypriot package”, *Cyprus Mail* 21 September 2004; “Brussels talks on trade and aid face deadlock”, *Cyprus Mail* 18 November 2004; “Turkish Cypriot trade package in the deep freeze”, *Cyprus Mail* 16 January 2005.

³¹ See “Nicosia seeks to block EU moves to conduct direct trade with north” at www.eubusiness.com/afp/040628121053.uzexe8u8 or “Greek Cypriots criticise EU direct trade initiative with north” at www.eubusiness.com/afp/040708105318.p7h3nil7

³² Diana Spinant, “Polish U-turn threatens decision-making”, *European Voice* 24 February – 2 March 2005, 7. During the accession process Poland had a reputation as a tough negotiator and at times difficult partner for the EU. See Ania Krok-Paszowska and Jan Zielonka, “Poland’s Road to the European Union”, *Journal of European Integration History*, vol.10, No.2, 2004, pp.7-24.

³³ Flyer issued by the *Klub poslancu Obcanskédemokratické strany v Evropském Parlamentu* (Club of Civil Democratic Party Members of the European Parliament). It has been argued that the use of consensus, rather than voting, in the Convention to reach decisions effectively restricted the right of minorities to express their views or formally record their dissension from the majority view. See Allen, David (2004). “The Convention and the draft constitutional treaty”, in Fraser Cameron (ed.), *The Future of Europe. Integration and Enlargement* (London and New York: Routledge), p.19.

been paramount in the Union. However, basic acceptance of the impartiality of EU institutions is essential if the whole edifice is not to collapse. Moreover, the recent tendency, especially on the part of larger member states, to question or change rules - often put in place largely upon their initiative or which were strongly supported by them - once they no longer suit them, does not augur well for the EU project.

Trust in EU institutions

The IGC of 2000 was almost entirely devoted to the internal reform of the decision-making capacity of the EU. The result was the Treaty of Nice which did not provide a convincing response to the problem.³⁴ In December 2001, the European Council adopted the Laeken declaration on the future of the European Union. The Laeken declaration identified twin challenges for the EU. The internal challenge was to bring European institutions closer to their citizens, to make them more democratic, efficient and transparent. The external challenge was for the Union to take on its responsibilities in the governance of globalization (Allen 2004). The European Council convened a Convention on the Future of Europe which prepared a draft Constitution. The Constitution is a pragmatic attempt to improve the efficiency and flexibility of the EU. It replaces all the existing Treaties with a single text. It more clearly defines the division of competences within the Union and simplifies the Union's instruments for action. The institutional framework has been kept intact, but two new institutional instruments have been introduced: a more stable Presidency of the European Council (elected for a period of two-and-a-half years) and a Minister for Foreign Affairs.

The Constitution grants more powers to the EU in policy fields (migration, asylum and trans-border crime) where member states find it difficult to cope on their own. There is also the possibility of enhanced cooperation by a small group of members willing and able to cooperate more closely in certain policy areas. It extends majority voting to 44 new areas, but most important areas member states have protected their sovereign powers. In the view of some commentators, under the Constitution the EU will become far more diverse and flexible than it is now.³⁵

But is it enough? To deal with the increased diversity engendered by enlargement, European actors may need to become more imaginative about future structures and functions and it may be better to have a loose, diversified and flexible European polity, with various layers of governance and cooperation across different policy fields (Zielonka 2004). What is needed most though is what McDonagh has described as "...the

³⁴ For a discussion of link between internal institutional reform required for enlargement and the broader issues of constitutional development discussed by the European Council at Laeken and within the Constitutional Convention, see Bruno de Witte, "The Impact of Enlargement on the Constitution of the European Union", in Marise Cremona (ed.), *The Enlargement of the European Union* (Oxford: Oxford University Press), pp. 209-52.

³⁵ See "The CER guide to the EU's constitutional treaty," Centre for European Reform, *Policy Brief*, London, July 2004. Available at: www.cer.org.uk/pdf/policybrief_constitution_july04.pdf.

collective ethos in the European Union [which] combines the pursuit of interests with the accommodation of difference” (McDonagh 1998:49). It is what the Kok Report referred to as “acting together as Europeans” to deal with political and economic diversity and turn this into an attribute and advantage rather than a threat. It involves a basic trust in the European institutions to work for the collective good.

As shown in this paper there are a great many different fault lines within the EU, rich and poor, small and large, more competitive and less competitive, founder members and later entrants. In essence, this latest enlargement has brought nothing new, only possibly in some cases greater differences in degree. The sheer number of actors in institutions designed for smaller numbers is certainly a challenge but if the Union can find creative means of dealing with the increase in size and continue to work in a spirit of accommodation then the diversity should be manageable.

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