As the Union develops its capacity in the field of security, it will become something more than a great civilian power. But its strength in the economic, environmental, and other aspects of external policy, somewhat condescendingly called 'soft power', is already very important, and has great further potential as a force for the development of a safer and more prosperous world.

Chapter 9
The EU and the rest of Europe

A most impressive aspect of the European Community project has been its ability to develop and expand from a small group of relatively similar states in Western Europe into a European Union of much greater width and depth. The process of deepening and widening since the 1950s, with its synergies and contradictions, has been recounted in Chapter 2. Within this long process of enlargement, it is the expansion into Central and Eastern Europe that has, apart from de Gaulle's reaction to the British application, been the most contentious. While member states generally agreed that Eastern enlargement was to be welcomed, to extend the area of prosperity and security, there have also been greatly varying degrees of enthusiasm, to the point where discussion of 'enlargement fatigue' became not uncommon in the old member states. Certainly, there have been problems on the way, but enlargement can be seen as an essential part of the EU and its continued development, not least in its dealings with those who remain outside; and the treaty still affirms that membership is open to any European state that respects 'the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law'.

Enlargement to almost all of Western Europe

There is a routine for the process of enlargement. When an application is received, the Council asks the Commission for its 'Opinion', on the basis of which the Council may, unanimously, approve a mandate for negotiations. The Commission negotiates, supervised by the Council; and an eventual treaty of accession has to be adopted by unanimity in the Council and with the assent of the Parliament, followed by ratification in all the member states.

Membership can be preceded by a form of association. The original example was the Treaty of Association between Greece and the Community in 1962, which provided for the removal of trade barriers over a transitional period, various forms of cooperation, and a Council of Association. It also envisaged eventual membership; and after various vicissitudes, Greece did indeed become a member in 1981.

Portugal and Spain were not eligible for association in the 1960s. Their regimes were incompatible with the Community, for which only democratic countries were suitable partners; and Portugal had already in 1960 become a founder member of the European Free Trade Association (Efta), which Britain had promoted in reaction to the establishment of the EEC and which, being confined to a purely trading relationship, was not so concerned about the political complexion of its members. So when democracy replaced dictatorship in the 1970s, both Iberian countries negotiated entry to the Community without any prior form of association. This was one reason why the negotiations were protracted, with entry achieved only in 1986. Protectionist resistance, from French farmers in particular, was, however, more significant.

The path to membership was different for the more northerly members of Efta. The British, Danes, Norwegians, Swedes, and

Swiss had eschewed the political implications of Community membership; and the Austrians were precluded by their peace treaty. Britain, Denmark, and Ireland joined in 1973 without having been associated in any way. Bilateral free trade agreements were at the same time concluded between the Community and each of the other Efta states, which by then included Iceland; and they were later signed with Finland, which joined in 1986, and Liechtenstein, in 1991.

As soon as the Soviet constraint was removed in 1989, Austria applied for EC membership. Finland, Norway, Sweden, and Switzerland were not far behind. Delors, hoping to delay such enlargement lest it dilute the Community, devised a proposal for a European Economic Area (EEA) to include the Efta countries with the EC in an extended single market. But the governments of those five did not want to be excluded from decision-taking in the Community, so they all applied for membership, which Austria, Finland, and Sweden achieved in 1995, after a short negotiation facilitated by their existing free trade relationship. Norwegians rejected accession in their referendum and Swiss voters refused to accept even the EEA. So Switzerland continues with its bilateral free trade agreement and only a vestigial EEA remains, associating Norway, Iceland, and Liechtenstein with the Union.

Enlargement to the East

Throughout the cold war, relations were cool between the EC and the Soviet Union. The Soviet Union refused to accord the Community legal recognition, seeing it as strengthening the 'capitalist camp'; and the Community refused to negotiate with Comecon, the economic organization dominated by the Soviet Union. Following 1989, and the dissolution of the Soviet bloc, the Central and East European countries turned towards the Community, which they saw as a bastion of prosperity, democracy, and protection from a chaotic (and collapsing) Soviet Union. They naturally envisaged membership.

16. The Berlin Wall comes down

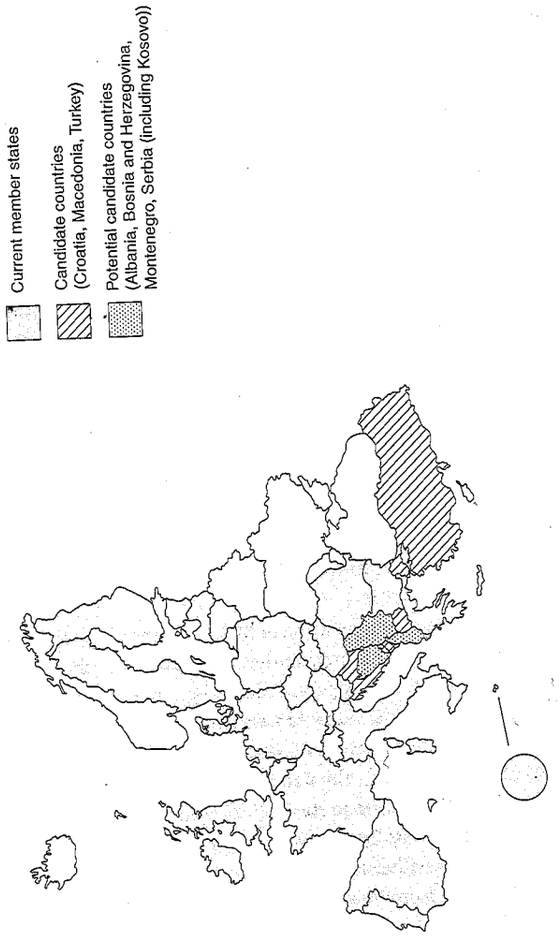
The simplest case was the German Democratic Republic, as the Soviet-controlled part of Germany had called itself. The GDR became part of the Federal Republic of Germany in 1990; and the Community made the necessary technical adjustments at speed so that the enlarged Germany could assume the German membership without delay.

For the other countries of Central and Eastern Europe, extensive aid and development packages were put together under the Commission's leadership. Projects such as PHARE sought to provide assistance with economic and political restructuring for the emergent democracies, spending roughly €600 million per year between 1990 and 2003, when it was wound up. However, such assistance, while welcome, was seen by many in the region as a diversion from membership. Indeed, such a view was an accurate reflection of the ambivalence felt by many of the Union's members about enlargement. While publicly proclaiming the

historic mission of the Union to reunite Europe peacefully, many politicians were concerned about the admission of a large number of relatively poor, relatively small, and relatively unstable new members, whose populations might move en masse to the West to find employment.

It was only in 1993, at the Copenhagen European Council, that the Union agreed the principle of offering full membership to those who wanted it. However, the Union also agreed for the first time to expand on the provisions of the treaty and laid out what became known as the Copenhagen criteria: stable democracy, human rights and protection of minorities, the rule of law, a competitive market economy, and 'ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union'. While political union meant different things in different member states, the significance of 'the obligations of membership' was clear enough, including the huge task of applying not far short of 100,000 pages of legislation, mostly concerning the single market. To allay fears that widening would result in weakening, there was also the condition that the Union should have 'the capacity to absorb new members while maintaining the momentum of integration'.

Despite this laying out of the threshold for membership, and the development of extensive programmes of assistance to the states of Central and Eastern Europe in order to help meet them, it was only after the conclusion of the Amsterdam Treaty in 1997 that things really started to move. In 1998, the Union judged that a first wave of five had made the necessary progress, so negotiations began in 1998 with the Czech Republic, Estonia, Hungary, Poland, and Slovenia, as well as Cyprus, which had also applied to join; and, in 2000, also with a second wave comprising Bulgaria, Latvia, Lithuania, Romania, and Slovakia, as well as Malta. While the Union had indicated that each individual accession negotiation would proceed at its own speed, it was agreed at the 2003 Copenhagen European Council that all save Bulgaria and



Map 2 Applicants for accession

Romania would be able to join in May 2004. These two were able to become members in 2007.

The process of enlargement to the East was very protracted, for a number of reasons. On the part of the new member states, the adjustments required were very substantial, especially within the context of emerging from Communist, planned economy systems. Many states simply lacked the institutions, resources, or experience necessary to implement fundamental changes in the operation of many areas of public policy and decision-making. On the part of the existing member states, we have already mentioned the fears about the increased heterogeneity of the Union and implications of free movement and of the state of EU policies. This last point was to take up much of the Union's time in the late 1990s, as it struggled to reform CAP and cohesion policies to cope with the imminent arrival of a large number of poor states with significant agricultural sectors: those reforms are discussed in Chapter 5. Seen broadly, the solution that was found was to reform the policies by changing the types of support provided, but also to limit the amount that new states could claim in any case. Such an apparently unfair approach to new members has been a consistent feature of all previous enlargements, as existing members seek to protect their interests while they can and while an applicant state has little leverage to fight it. This was also evident with the discussions about institutional reform that culminated in the Nice Treaty, which a number of member states found unsatisfactory enough to call for the constitutional Convention.

For all of this concern, perhaps the most remarkable feature of the post-enlargement EU is how unproblematic it has been to date. Despite the failure to replace the Nice settlement with the Constitutional Treaty, the Union's decision-making bodies have functioned without undue problems arising from the enlargement and the gridlock that some had predicted in the 1990s has not

come to pass. Indeed, when we consider the most obvious crises within the Union, these have been more about old member states than new ones: the French and Dutch 'no' votes on the Constitutional Treaty; the Anglo-French split over the Iraq War and its aftermath. Partly this has been because the new members have kept a low profile as they learn the ropes of how to work within the Union, with Poland something of an exception; but it is also partly driven by the depth of structural adjustment that these states have made to become members: several of them have been more compliant with the requirements of membership than those they have joined.

South Eastern Europe

South Eastern Europe denotes mainly the states of former Yugoslavia: Croatia, Bosnia-Hercegovina, Macedonia, Montenegro, and Serbia, of which Kosovo remained formally a province. Albania is also included within the term, but in current discussions of EU policy Slovenia is not since, though it was also one of the former Yugoslav republics, it has qualified to become a member state.

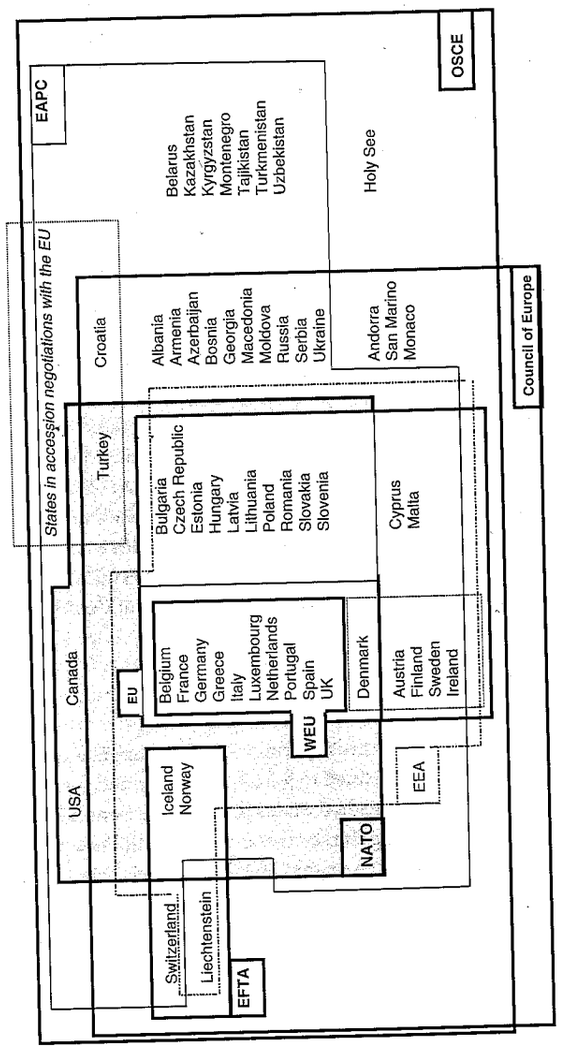
Before it disintegrated, the former Yugoslavia had been closer to the Community than any other Central or East European state. Then came the disintegration and the wars. The United States initially wanted the Europeans to deal with the problems. Jacques Poos, Luxembourg's Foreign Minister and President-in-Office of the Council in the first half of 1991, famously said 'This is the hour of Europe'. Not having a significant Serb minority, Slovenia secured independence without much fighting. But bitter wars ensued in Croatia, Bosnia, and later in Kosovo, and in all three cases the Union failed completely to match Poos's claim. Instead, it was the US and Nato that were the main actors in securing a durable peace settlement in the region, the EU being relegated to providing humanitarian relief.

The key consequence of this for the Union was to stimulate a complete review of the Common Foreign and Security Policy, most notably with the creation of hard military capabilities in order to secure the so-called Petersberg tasks of humanitarian relief, peacekeeping, and crisis management. It also helped to make the Union consider how its various external policies linked up together, most obviously seen in the creation of the High Representative to give a single face to the EU's work. As far as the Balkans were concerned, the result of the EU's initial failure was a return to the drawing board and the production of a Stability Pact for South-East Europe. This overarching set of policies, designed to strengthen democracy, human rights, and economic reform, was later followed by Stability and Association Agreements between the Union and each of the West Balkan states save, so far, Serbia. This is backed by the Union's Instrument for Pre-Accession Assistance, which provides some €500 million per year for the West Balkans. With the slow stabilization of the region, the Union has been able to offer full candidate status to Macedonia and a provisional status to the others with Stability and Association Agreements, thus providing a strong incentive for local politicians to follow the example of the other Central and East Europeans.

Russia and the CIS

The three Baltic republics of the former Soviet Union, Estonia, Latvia, and Lithuania, declined to join Russia in the successor Commonwealth of Independent States (CIS) and became EU members in 2004. Among the states that stayed with the CIS, six can claim to be European: Armenia, Belarus, Georgia, Moldova, Ukraine, and Russia itself. They could therefore, if they come to fulfil the conditions of stable democracy and competitive market economy, apply for membership of the Union.

As the EU has enlarged itself to the borders of Russia and Ukraine, the question of enlargement to CIS states has been



Map 3 The architecture of Europe, 2007

raised. The size of Russia, however, combined with the much greater economic and political disparities with the EU than those found in Central and Eastern Europe, stand in the way. The policy has therefore been to develop closer bilateral and multilateral relations rather than to envisage membership. The other states too face great difficulties. But although Ukraine faces major problems in becoming a stable democracy, the desire for membership is not, in the long term, unrealistic.

The EU has, however, long been eager to help with the transition to democracy and free-market economics throughout the CIS. From 1991 until 2007, the Union operated a very extensive programme of assistance known as Technical Assistance to the Commonwealth of Independent States (TACIS). With a budget of around €500 million a year, TACIS concentrated on such things as enterprise restructuring and development, administrative reform, social services, education, and, as the biggest item, nuclear safety, which accounts for a large part of the regional programmes. As will be seen in Chapter 10, TACIS has been superseded by the European Neighbourhood Policy.

The Union's relationship with Russia remains an ambiguous one. While the military rivalry of the cold war has largely gone, the uncertain nature of Russian democracy under Vladimir

CIS states with EU agreements

The EU has Partnership and Cooperation Agreements with:

Armenia	**Kazakhstan**	**Russian Federation**
Azerbaijan	**Kyrgyzstan**	**Ukraine**
Georgia	**Moldova**	**Uzbekistan**

Putin in the new century has created new points of tension. As Russia's military might has faded and the shift to free-market economics has not yet been as successful as hoped, so the Russian government has started to use its massive natural energy exports to Europe as a new way of being a player on the international scene. The 2000s have seen repeated instances of state-controlled gas and oil companies using their size and privileged relationship with the Kremlin to gain increasingly dominant positions within EU energy markets, helped by the EU's own energy liberalization agenda. While this dominance is conditioned by the fact that Russian companies are now dependent upon European markets for much of their profits, until there is more confidence in the political and legal systems in Russia, the Union is not likely to seek to develop its relationship beyond the current Partnership and Cooperation Agreement.

Turkey

We cannot complete this chapter without reference to Turkey. If Russia is a problematic partner for the EU, then Turkey has been more like a thorn in its side, because it has so openly and heartily wished to become a member of the Union for such a long time.

Turkey concluded a Treaty of Association with the EEC in 1964, which was like that of Greece, save that the Community's doubts about Turkey were reflected in a transition period of 22 years and no clear commitment to membership. Turkey lodged its application for membership in 1987, but it was not until 1999 that the Union recognized it as a candidate, and negotiations began only in 2005, with accession not expected before 2015. Even by the EU's low standards, such a protracted process requires some explanation.

Union politicians have voiced a number of reasons for doubting whether Turkey should become a member. First, there has

been reference to the Copenhagen criteria and the country's unsuitability on the grounds of human rights abuses, the role of the military in politics, weaknesses in the economy, and the extent to which reforms can meaningfully be made. Second, there are concerns regarding the size of Turkey (it would before long be the EU's largest member state, owing to its high birth rate) and the resultant potential for large-scale migration to other member states and for-voting weight in the Council. Third, there has been much talk of 'enlargement fatigue' and the need for a more substantial pause before such a major expansion. Fourth, and perhaps underlining all of these other dimensions, is the notion of Turkey's 'otherness'. As a majority Muslim population, as a state with a tenuous claim to be geographically 'European', and as a state with a very different historical path from that of current members, it challenges many conceptions of what the EU is and should be.

For the Turks' part, their persistence in the face of such opposition reflects the strength of the Western Kemalist project in the country and of its self-conception as a bridge between East and West. Certainly, successive Turkish governments have made very extensive modifications to legal and political structures in order to secure the accession negotiations that they so desired, something that is all the more surprising for the lack of certainty that such negotiations would occur. However, Turkish patience, especially in the general public, is not infinite, and in recent years there has been a cooling in the desire to join the Union. Again, this is a standard feature of enlargements: as membership draws closer, people begin to see the costs as well as the benefits.

None the less, Turkey's membership remains unresolved. Bowing to public pressure, both Austria and France recently introduced new procedures that require referendums on the accession of any new member state, which would be highly unlikely to give Turkey membership. However, the question has to be asked of whether or not excluding Turkey is desirable.

The EU already has over 15 million Muslims, so religion is not the barrier that some imagine. Likewise, admitting Turkey could help consolidate the EU's status as a global power, both through the admission of a state that bridges into the Middle East and through its extensive military capability. Whatever decision is finally made, it will have serious implications for the Union and its future development.

Chapter 10
The EU in the world

Having shown how 'federal institutions can unite highly developed states', the Community might serve as an example of how 'to create a more prosperous and peaceful world'. Such was the hope that Jean Monnet expressed in 1954 to the students of Columbia University in New York. The EU has been concerned, like others, to look after its own interests, even if it is often hard to reach agreement on what these are. But Europeans have become more aware than most others that these do include the creation of a prosperous and peaceful world. How do its actions, as distinct from its example as a region of peace and welfare, contribute to that end?

The Community as a great trading power

The United States sponsored the uniting of Europe, from Marshall Aid to the birth and early development of the Community. Monnet reciprocated with the idea of an increasingly equal EC–US partnership. Soon after the EEC was founded with its common external tariff, the US responded by initiating the Kennedy Round of trade liberalization in the Gatt; and this led in 1967, after five years of laborious negotiations, to the agreement to cut tariffs by one-third.