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HORST GÜNTER KRENZLER

The Geostrategic
and International
Political Implications
of EU Enlargement

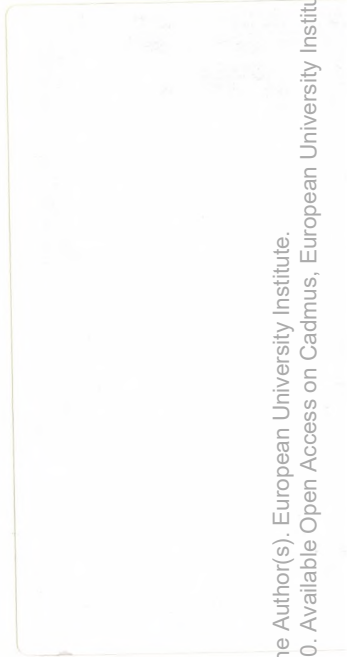
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ROBERT SCHUMAN CENTRE

**The Geostrategic and International Political
Implications of EU Enlargement**

**Report of the Second Meeting of the Working Group on the Eastern
Enlargement of the European Union¹**

Chairman: Horst Günter KRENZLER

Rapporteur: Filippo ANDREATTA

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INTRODUCTION

The current round of European Union enlargement is a development of truly historic proportions.² In quantitative terms, if enlargement proceeds to all ten candidates, the area of the Union would be enlarged by about one-third whereas its population would increase by 29 percent. Qualitatively, the accession of the countries of East-Central Europe would dramatically alter the political map of Europe as it has been for the last five decades and it would put a seal on the reunification of the two sides of Europe initiated by the raising of the Iron Curtain in 1989. This paper investigates the geostrategic implications of this radical change, concentrating on three major issues: the effect of enlargement on the Union as an international actor, its likely impact on the world stage (and in particular on the global institutional network), and the political prospects of an enlarged Union with its neighbours to the East and South.

The long-term effects of enlargement are considered generally to be positive, both for the Union itself and for its role as an international actor. Once the processes of institutional reform and enlargement are digested, the European Union will become a stronger and more confident member of the international community, offering security to its neighbours and contributing effectively to the maintenance of the open world economy. In the short term, however, enlargement will create problems of adjustment. These problems cannot be avoided because enlargement represented a reaction to unexpected changes in Eastern Europe rather than a preconceived product of political engineering. The historic mission of European Union is to contribute to stability and peace through integration. Therefore, after the events of 1989 there was no real alternative to eastward enlargement. Nevertheless, the process has been slow, although given the heterogeneity between the EU and Eastern Europe, it is actually quite remarkable that a policy on enlargement was finally adopted at the June 1993 European Council in Copenhagen and initiated after the 1997 Intergovernmental Conference. The difficulties of enlarging the Union - which is both federal and intergovernmental - are especially daunting because attention is and will be focused primarily on EMU for at least the next two years. Public support for enlargement is thus lukewarm given the costs and risks that it entails. But this paper argues that nevertheless, EU enlargement is likely to provide the best guarantee for continental stability. Through the expansion of the *acquis* and the formal and informal rules of the Union secular divisions between East and West will be overcome.

² Previous enlargements were: in 1973 to the United Kingdom, Ireland and Denmark; in 1981 to Greece; in 1986 to Spain and Portugal; in 1995 to Sweden, Finland and Austria.

Enlargement could produce some problems in the short term for the establishment and functioning of an effective CFSP. Difficulties emerge from the increased heterogeneity of the Union and because some EU resources will need to be redistributed for the task of integrating the weaker economies of the new Member States. Enlarging too slowly would keep the question of the final borders of the Union open. Enlarging too quickly carries the risk of - to use Paul Kennedy's term - "overstretching" the Union. Furthermore, the expansion of the European Union will close the gap between the EU's borders with Russia and Turkey, thereby stressing the importance of maintaining good bilateral relations with those countries. Nevertheless, enlargement will eventually produce a larger and stronger Union capable of mobilising resources for a global policy, since most of the Old Continent's problems will be settled because enlargement is in itself a foreign policy tool. This change will be reflected especially in the Union's role within other international institutions. Furthermore, the Union cannot afford to ignore its relations with the United States and the Mediterranean - which also remain crucially important. Other policy initiatives vis-à-vis the Lomé countries, Latin America, and ASEAN will also compel the Union to take up an increasingly important role on the world stage.

THE EFFECTS OF THE ENLARGEMENT PROCESS ON THE EUROPEAN UNION

At the present time ten East-Central European (ECE) countries plus Cyprus are being considered for EU membership. Turkey hoped to be included in the same group, but the decision of the December 1997 European Council in Luxembourg has frustrated these ambitions, and Turkey is currently reassessing its relations with the EU. Clearly, even partial enlargement will affect the EU dramatically (see Table 1). EU citizenship will grow by 100 to 200 million, depending on which countries are eventually admitted. In the long term, this will certainly strengthen the Union, which would become the most developed economic actor in the world with a market of more than 450 million consumers. In general terms, a stronger Union will be obliged to assume a leading role in international politics and the global economy. It is in the interests of the EU, therefore, to maintain a stable and open international system. Not only would a stronger Union have a greater incentive to keep other economies open to its goods and services, but the nature of most of the candidate countries - small, trading economies with good prospects for rapid growth - would also benefit the EU.

Table 1. Countries involved in the Enlargement Process

Country	GDP per head, \$ at PPP, 1996	Population, Millions	Date of Application
European Union (15)	19.250	372,5	
Cyprus	11.989	0,7	July 1990
Czech Republic	9.479	10,3	January 1996
Estonia	4.431	1,5	November 1995
Hungary	6.410	10,1	March 1994
Poland	5.400	38,6	April 1994
Slovenia	11.113	1,9	June 1996
Bulgaria	4.190	8,5	December 1995
Latvia	3.484	2,5	October 1995
Lithuania	4.273	3,7	December 1995
Romania	4.591	22,7	June 1995
Slovakia	7.970	5,3	June 1995
Turkey	6.103	60,8	April 1987

Enlargement will also facilitate the process of developing a complex and competitive economy characterised by heterogeneous modes of production. The other large geoeconomic areas of the world - North America and East Asia - already enjoy economies of scale and the advantages of coupling strong, technologically advanced economies (the United States and Japan) with countries offering low labour costs, high returns on investments, and other prerequisites for double-digit growth. The obvious advantages to the newly-admitted Member States, including foreign investments and technology sharing, are balanced by the increased competitiveness of the European market. European firms would benefit greatly from better combination of production factors and the advantages of increased trade.

While the long-term benefits from an enlarged Union seem clear, the short and medium term consequences are less transparent. Uncertainty can be grouped into three categories: 1) problems linked to the process of enlargement itself, 2) the need to reform EU institutions, and 3) the question of the development of a Common Foreign and Security Policy (CFSP).

First, the process of enlargement has been defined by the Union's guiding principles in general and by the decisions of the Council in particular. The 1993 Copenhagen Summit created a framework for EU enlargement by spelling out the principle of conditionality based on three crucial requirements for accession: the development of democracy (with emphasis on human and minority rights), the existence of a functioning and competitive market economy, and the

capacity to implement the *acquis communautaire*. These requirements originated from the Union's integrationist agenda, in which first pillar considerations are paramount and which requires the fulfilment of the conditions for accession. Although these standards can be kept quite flexible, conditionality necessarily implies an enlargement in stages, since it is unrealistic to expect all applicants to fulfil the criteria simultaneously. Thus, prompted by the 1995 Madrid Summit, the Commission's Agenda 2000 envisages differentiation; in early 1998, negotiations will begin with five applicant countries (Poland, the Czech Republic, Hungary, Slovenia and Estonia plus Cyprus), while negotiations with the other five (Latvia, Lithuania, Bulgaria, Romania and Slovakia) will commence at a later stage.³ The Luxembourg Summit slightly modified the original proposal by setting a March 30, 1998 start date for the enlargement process including all 11 countries, though confirming that negotiations will begin earlier with those countries that are closest to fulfilling the entrance criteria.

This slow and cumbersome process - as compared with the quick pace of NATO enlargement - is a result of the First Pillar enlargement policy, which requires that complex and stringent standards be applied to acceding countries. Complexity and incrementalism characterise the very nature of the enlargement negotiations, in which a certain degree of uncertainty maximises EU leverage. Negotiations are no guarantee of accession. The EU has avoided setting a precise timetable for enlargement, since it would remove incentives for driving reforms in first and second round applicant countries.⁴ However, the cost of this leverage is increased risk to the enlargement process. By maximising uncertainty, the EU may alienate some of its applicants: "The great length and *staccato* nature of the process will also create an environment of perpetual uncertainty, possibly counterbalanced by the discipline exerted on the candidate states through the fear of exclusion".⁵

In order to mitigate the divisive and frustrating aspects of the enlargement in stages policy, the Commission has also formulated a pre-accession strategy, as recommended by the 1994 Essen Council. This strategy involves all accession countries irrespective of their application status. First, aid to non-

³ EC Commission, *Agenda 2000*, COM (97) 2000 final, 15 July 1997, pp. 57-59.

⁴ Heather Grabbe and Kirsty Hughes, *Eastward Enlargement of the European Union*, Royal Institute for International Affairs, 1996, p. 56.

⁵ Christopher Hill, *The Geostrategic Implications of Enlargement*, paper delivered at the Second Meeting of the EUI Robert Schuman Centre's Working Group on the Eastern Enlargement of the European Union, Brussels, October 1997.

members will be substantially increased targeting institution building and improvements to the administration and infrastructure. Although the EU usually uses Structural Funds for these purposes, applicant countries are in the paradoxical position that they must increase their wealth first in order to qualify as “less developed” by Community Structural Funds standards.⁶ Therefore, these reforms will be financed instead by the Phare programme. Next, the Luxembourg European Council has formulated a single enlargement framework which will commence with a Ministerial Conference including all applicant countries. In addition, a European Conference (sometimes referred to as the “family photo”), to which Turkey will be invited as a state with the intention of joining, will be organised to discuss non-First Pillar intergovernmental issues.⁷

Second, enlargement will create a Union of 25 or more Member States, which will not be able to operate under the same institutions as a Community of six or even 15. As addressed in the Amsterdam Treaty and the Agenda 2000, the number of commissioners, the criteria for their selection, and general voting procedures will need to be amended before the end of the century. Otherwise, the Commission may become too large to be efficient, or voting majorities may be such that they exclude the most important states.⁸ Institutional changes of this sort, however, are difficult, costly, and often trigger discord along national lines. But there is not necessarily a contradiction between the Union's two goals of widening and deepening. Previous rounds of enlargement have not hindered important steps, such as the Single European Act and the Maastricht Treaty, despite the fact that some of the new members were not enthusiastic about integration. Thus, enlargement could actually supply the pressure needed to initiate institutional restructuring and strengthening EU policies. For example, problems in applicant countries related to the environment or crime may redefine the understanding of “security” and the solutions to these problems will enhance cooperation in these sectors between current Member States and EU applicant countries.

Third, even if enlargement does not weaken its institutions, it may limit the EU's ability to be effective outside EU borders through CFSP.⁹ Enlargement

⁶ EC Commission, *Agenda 2000*, p. 52.

⁷ EC Commission, *Agenda 2000*, p. 55.

⁸ Similarly, the rules for the presidency will have to be reformed because Member State's presidency terms would be too far apart to maintain continuity and there is a possibility that *troikas* would be created by small countries (for example Latvia, Lithuania and Luxembourg) that individually do not have sufficient administrative clout.

⁹ Grabbe and Hughes, *op. cit.*, p. 55.

is a "foreign and security policy" in the sense that the prospect of admitting and the eventual accession of ECE countries into the EU may help resolve age-old conflicts such as those which once plagued Western Europe. At the same time, enlargement would also increase the variety of views on what the EU's external role should be. The major obstacle to the formation of a common policy in the former Yugoslavia was precisely the heterogeneity of perceptions of and responses to the crisis.¹⁰ If precautions are not taken, at least two negative consequences of increased heterogeneity may accompany enlargement. One effect may be that the Union will pivot its geopolitical interests to the East. By focusing its attention on EU relations with Russia and the Commonwealth of Independent States, the EU Mediterranean policy and other important global concerns may be ignored. Alternatively, the Union could *de facto* abandon the pursuit of a common policy and fragment its actions in a variety of individual or small-group responses, abusing the principle of flexibility. Whatever the outcome, the effectiveness of European CFSP is likely to be jeopardised. The danger of EU's greater heterogeneity is compounded by the expectations that the EU will take a leading role in global politics.¹¹ In fact, it does not necessarily follow that a larger EU will automatically become more internationally assertive, since increasing complexity may actually result in an EU focused on internal, rather than external, issues. Only when these problems are addressed and when the political views of the Member States are more homogeneous, will the Union be able to take full advantage of the enlargement process.

AN ENLARGED UNION IN THE GLOBAL SYSTEM

Eventually, the problems with CFSP will become easier to solve because the EU's borders are unlikely to remain uncertain forever. Keeping the borders of the EU open indefinitely is both undesirable and unrealistic. Once the final shape of the Union is determined, cohesion will gradually develop without the shocks and distractions connected with the enlargement process. In the foreseeable future, the size of the Union is likely to be limited to the 10 ECE countries plus Cyprus. Nevertheless, future enlargements should not be ruled out completely because the criteria for accession are quite objective and do not

¹⁰ Filippo Andreatta, *The Bosnian War and the New World Order: Failure and Success of International Intervention*, occasional paper, WEU Institute for Security Studies, 1996.

¹¹ Christopher Hill, "The Capability-Expectations Gap, or Conceptualizing Europe's International Role", *Journal of Common Market Studies*, V. 31, 1993, pp. 305-328.

include cultural or religious prejudices, such as those implied by the “Clash of Civilisations” argument. More importantly, in the short term however, is the type of entity that the enlarged European Union will become. Its geopolitical role will depend on whether it will maintain its character as an open and peaceful “civilian power” or whether it becomes perceived as a closed, exclusive, and potentially hostile club by non-member states. In the following sections, the likely effects of EU enlargement on the primary international actors will be analysed individually. But the general answer is that a larger Europe will continue to be seen as an element of stability and reassurance, though in some instances it may be perceived as a power that needs to be counterbalanced.

It is therefore not as important to limit the eventual shape of the Union (which in the medium term is restricted to the ten CEC countries plus Cyprus) as to define the EU’s new relationship with areas outside the Union. In other words, it is crucial to determine whether the Union’s borders and CFSP policies will be sharp or fuzzy, “by which is meant a condition of ambiguity resulting from some insiders having opted out from some common CFSP activities and some outsiders being ever more closely associated with what the EU does”.¹² This is even more important since an enlarged Union will share borders with important actors such as Russia and Turkey. As direct contact between the EU and these countries increases, EU interaction with NATO enlargement will also be affected.

With respect to Russia, NATO enlargement has complemented EU interests by defusing Russia’s security concerns over EU enlargement, as demonstrated by Moscow’s acquiescence with EU’s inclusion of Estonia in the first round of enlargement. Security concerns that arise in the future will be handled by the newly created NATO-Russia Council. Therefore security will not be prominent on the EU agenda for the time being and will allow the EU to maintain its non-threatening image. But the EU’s simultaneous participation in multilateral institutions - such as the OSCE - and common projects would diminish the perception of the EU as a unified bloc. It is in this light that the ideas of a European Conference and of free trade areas, including Russia or the Mediterranean countries, must be seen. A multi-layered Europe, in which *all* countries are involved at least in some common institutions and policies, would be beneficial to a larger Union and dispel any negative consequences of EU enlargement in the other major international actors. Without these horizontal links, EU enlargement might create vertical divisions between EU and non-EU states, which would be perceived as a jolt to the continental power equilibrium.

¹² Hill, *The Geostrategic...*, *op. cit.*

The question of the EU's place in international institutions is likely to be a crucial test for its role in international politics. Therefore, the effects of enlargement are likely to be different depending on whether the issue is addressed by a common policy or intergovernmental cooperation. The effect of EU enlargement on common policies, such as with the World Trade Organisation, will be directly proportional to the Union's strength. In the case of intergovernmental cooperation, a larger Union may experience coordination problems, at least in the short term, similar to those affecting CFSP. In other words, the Union's ability to transform increased size into greater influence will depend on its willingness and ability to speak with one voice - the difficulties of which were evident in the task of formulating a common proposal for United Nations Security Council reform. Finally, a third category arises from those institutions in which European involvement predates European integration. For example, despite the fact that EU Member States make up one-third of all International Monetary Fund members, Europe's power has been limited because of discord between the Member States. The emergence of an economic and monetary union should radically change this situation, by increasing European influence *pari passu* through the establishment of the Euro as a global currency.

In substantive terms, enlargement may also lead to a long-term change in the EU's geopolitical aims due to the increased prominence of its global role. First, enlargement would put a seal on the Cold War legacy of division and confrontation, allowing it to concentrate on wider issues. Second, the Union's larger economic base will complement the process of globalisation through greater contact with global markets. For example, the EU is playing an increasingly larger role in UN Conferences on Global Warming. Similarly, EU trade with Asia has more than doubled since 1988, growing at a faster rate than Asian trade with the United States. It is in this light that the new EU policy on Asia must be seen, as epitomised by the EU-ASEM meeting in Bangkok in 1996.

Finally, there is the issue of policy orientation of international institutions that depend on transatlantic relations, either informally or within the framework of the Atlantic Alliance or G-8. After all, it is around the Euro-American axis that most decisions hinge. Enlargement has been encouraged by Washington and it is therefore likely to have a positive effect on EU-US relations. However, the US will expect a larger and stronger Europe to "share more of the burden" of providing international public goods, contributing to the capabilities-expectations gap referred to earlier. In general terms, a larger and stronger Europe will alter the distribution of power within the alliance and necessitating

a change in the transatlantic relationship. A more symmetrical relationship between the two sides of the Atlantic requires a change in the current situation in which American leadership is the focal point of Western international policies. Already we have witnessed some effects of the changing relationship. In the field of security, in which American leadership through NATO is clear, the transatlantic relationship has become smoother over the last few years. However in the economic realm, in which Europe is relatively stronger and more united, several disputes have emerged over the extraterritorial reach of American sanctions, audio-visual products, the future of the civil airplane industry, to name a few, which stem from the fact that neither side readily recognises the leadership of the other. In a modern world in which economics has become increasingly more important, it is necessary that the new EU-US relationship will address trade and financial issues more directly.

THE EFFECTS OF ENLARGEMENT ON THE UNION'S NEIGHBOURS

Despite its importance in a global context, the most direct impact of EU enlargement will be on the neighbours of the EU. It is mainly on this count that the geopolitical consequences of enlargement must be assessed. This final section will therefore address the likely consequences of accession for four groups of countries: the East-Central Europe, Russia and the former Soviet Union, Turkey, and the Mediterranean.

(i) East-Central Europe

Although this area is the beneficiary of EU enlargement, the negotiations will be conducted on a strictly bilateral basis and, given the principle of conditionality, the ensuing differentiation will separate “pre-ins” (countries excluded from the first round of negotiations) and first-round countries. The main concern is that enlargement does not create new divisions in Europe, which would undermine the goal of integration. Some countries may feel alienated by being placed in the pre-in category. If these countries perceive this as rejection, they may choose to slow down reforms. Furthermore, they may perceive enlargement in stages as preferential treatment. The admission of a country into the EU may exacerbate relations with its neighbours if they perceive that EU membership gives the country in question a significant advantage in their negotiations (e.g., Hungary, Cyprus). The EU has therefore devised a pre-accession strategy that involves *all* the accession countries. The establishment of the Single Framework, the European Conference, as well as the reform of aid to non-members should create a smooth and gradual

enlargement process, removing the risk that the first round will undermine the second round.

A related aspect is the issue of sub-regional cooperation. After 1989, it was believed that regional integration, such as the Central European Initiative (initially called Pentagonale), the Visegrad Initiative, the Black Sea Cooperation Council, the Baltic Cooperation Council, and the Commonwealth of Independent States, could respond to the need for integrating at the regional level as well as prepare the ECE countries for eventual admission to the EU. Although the success of these initiatives varies (Visegrad and Baltic cooperation were relatively successful, while the Black Sea Cooperation Council and the CIS failed), overall they did not prove effective. Sub-regional cooperation, however, is not incompatible with European integration and the two could well proceed on parallel tracks, as demonstrated by the success of the Be-Ne-Lux integration process. Sub-regional cooperation should be encouraged because of its ability to reduce political and economic barriers and to attract investment. Nevertheless, the EU should not be expected that such cooperation can replace an effective enlargement policy. One possible approach might be to link various organisations together, creating an area of cooperation spanning from the Baltic to the Black Sea, including CEFTA and Ukraine.

(ii) Russia

Russia has so far favoured EU enlargement, both because it has traditionally perceived the Union as a civilian power and a crucial partner and because Moscow itself has developed a less confrontational policy with the West. Therefore, the prospect of Estonian membership has not triggered a hostile reaction, in stark contrast with the negative stance taken on NATO enlargement. It is essential for the EU to strengthen relations with Russia, given the country's enormous importance, the imminent EU-Russia border, the presence of 500,000 ethnic Russians in the Baltic Republics, and Moscow's close economic and cultural relations with the applicant countries (some of which heavily rely on Russian energy). In this respect, there is no reason to doubt that a constructive relationship is a priority. Although direct Russian political influence on the area will probably decrease, Russia will continue to gain access to the European market, thereby strengthening the geoeconomic ties between Russia and the EU.

EU relations with Ukraine and Belarus, which are perceived by Moscow as special countries, will be trickier: "Neither can be treated separately from

developments in Russia".¹³ It is possible that EU enlargement may in fact spur greater efforts to reintegrate the former Soviet states. Although "sphere-of-influence" and annexation policies should be resolutely resisted, the problem of organising the area between the EU and the Russian Federation must be resolved. Offering EU accession to these countries may potentially "overstretch" the capacity of the EU, and in any case, meeting the Copenhagen criteria seems too be an impossible goal in these ex-Soviet republics (contrary to the three Baltic States). Given its size, resources, and key geopolitical location, Ukraine is unique, which means that the EU will need to establish a special relationship with this country.¹⁴ Since the CIS has become a dead letter, the need to deal with this region and remains on the EU agenda, and awaits a creative solution.

(iii) Turkey

Turkey is somewhat similar to the Russian case: Both are large countries with heterogeneous cultures; both lie strategically on the bridge between Europe and Asia; and both are torn between pro-European and nationalistic sentiments. Turkey also poses special problems, given its determination to apply for EU membership since 1964. On the one hand, Turkey's accession would represent a Herculean task because of the country's distinctive culture - which would involve problems in the full adoption of the *acquis* - and because of its sheer size. According to current projections, Turkey's population will soon surpass that of any individual Member State, thus creating problems with the free-circulation of people. Furthermore, Turkey's geopolitical position also raises peculiar issues given its borders with Iran, Iraq, Syria, and the Caucuses. On the other hand, an outright rejection could provoke the clearest division between Europe and the Islamic region since the Ottoman Empire in the XVII century, not to mention exposing the Union to the charges that its conditional answers since 1964 have been insincere and that the EU is religiously and ethnically biased. It is therefore imperative that the principle of conditionality be applied without prejudice. Turkey, *as all other applicants*, must be required to meet the Copenhagen criteria in both economic and political terms. In the meantime, given the impossibility of early accession, the EU should continue its policy of engagement and association, building on the Customs' Union. The Luxembourg Summit has postponed enlargement negotiations with Ankara and, despite the

¹³ Antoni Kaminski, *The Geostrategic Implications of Enlargement*, paper delivered at the Second Meeting of the EUI Robert Schuman Centre's Working Group on the Eastern Enlargement of the European Union, Brussels, October 1997, p. 1.

¹⁴ Kaminski, *op. cit.*

fact that it has offered to elaborate a pre-accession strategy, it has provoked an immediate and piercing reaction from Turkey, threatening the long-term EU-Turkish relationship.

The EU-Turkey relationship is exacerbated by the issue of Cyprus, which has the potential to escalate into a serious crisis. The Union's strategy (after the 1995 Corfu decision) to begin accession talks with Nicosia aims at using the accession negotiations of the *de jure* republic as a means to overcome the *de facto* partition, by stimulating the formation of a joint diplomatic team including both ethnic groups. However, the Union's leverage is limited because restricting EU entry to the Greek side will alienate Turkey. This may subsequently catalyse the permanent separation of the two sides if Turkey annexes the northern part. However, waiting for prior unification through confederation could either indefinitely postpone the island's entry or give Ankara leverage in internal EU affairs. Thus "the EU is really damned if it does and damned if it doesn't".¹⁵

(iv) The Mediterranean

While there is a certain ambiguity on the eventual borders of the Union to the East and to the Southeast, the Mediterranean Sea constitutes a clear demarcation line to the South, as is testified by the negative fate of Morocco's application. Enlargement is therefore not an option to solve the "security vacuum" in the region and will therefore concentrate mainly on the 10 ECE countries.¹⁶ However, some of the most serious threats to European civilisation - from mass migrations to environmental disasters, from terrorism to nuclear proliferation - originate from the Southern shore of the basin. Also, Europe's foreign policy attention will therefore be increasingly shifted to the Mediterranean because after enlargement most of the European problems hopefully will be settled as internal questions. It is therefore essential that the Barcelona process and the Euro-Mediterranean Free Trade Area project (initiated by the bilateral agreements with Morocco and Tunisia in 1995) continue with renewed urgency. The aim of the Union's policy should eventually be to achieve in the neighbouring areas what enlargement is achieving in Europe itself.

¹⁵ Hill, *op. cit.*

¹⁶ Kaminski, *op. cit.*

CONCLUSIONS

The long-term effects of enlargement on the international political and economic role of the EU are considered to be positive. Once enlargement is digested, the EU will become a stronger member of the international community, capable of mobilising greater resources for a global policy, offering a stable relationship to its neighbours and contributing effectively to the maintenance of the open world economy. In the short term, however, the EU enlargement may weaken its institutions, political cohesion, and the development of an effective Common Foreign and Security Policy.

Enlarging the EU by 10 Central and Eastern European Countries and Cyprus will preserve its character as an open and peaceful "civilian power." The EU will therefore be in a position to develop and constructively strengthen relationships with its neighbours in Europe by taking continent-wide political initiatives. Such initiatives would include establishing a Free Trade Area to include Russia and Mediterranean countries, and participating in multilateral organisations in Europe, such as the OSCE. An enlarged EU will be better prepared for the process of globalisation because of its larger and more diversified economic base. A larger and stronger EU will lead to a more equal partnership in transatlantic relations, although the US will expect the EU to "share more of the burden." The EU's role in international institutions will grow proportionally to its enlargement in institutions where issues of common policies are dealt with, such as in the WTO and the IMF, after the introduction of the Euro. In other institutions the EU will only be capable of transforming increased size into greater influence if it is willing and able to speak with one voice.

EU enlargement will have the greatest impact on its neighbours. Eastward enlargement will happen in stages, but new divisions in Europe should be prevented. The EU has therefore devised a pre-accession strategy involving all the accession countries - Central and Eastern Europe - in a single framework. Regional cooperation in the area (Visegrad and Baltic cooperation) should be encouraged because it prepares political and economic integration. Nevertheless, regional cooperation cannot replace an effective EU enlargement policy.

It is essential for the EU to strengthen relations with Russia, which remains a crucial political and economic partner on the continent. EU relations with Ukraine and Belarus cannot be treated separately from developments in

Russia. Special relations with Ukraine must take into account its size and importance.

Regarding Turkey, the EU should continue its policy of engagement and deepening of the Association relationship building on the Customs Union. Turkey as a European State has the intention to join the EU, but poses special problems which do not allow for Turkey's inclusion into the accession process at the present time. In addition, the EU-Turkey relationship is exacerbated by the issue of Cyprus.

As southern neighbours to the EU, the Mediterranean countries need Europe's support to combat the problems in the region. It is therefore essential that the Barcelona process and the Euro-Mediterranean Free Trade Area project are pursued vigorously to achieve in this area what EU enlargement hopes to achieve in Central and Eastern Europe.



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