

The Process of European Integration: State and Perspective

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1. The Current State of the European Union

Europe has two faces. On the one hand, there was a time when Europeans were enchanted by the miracle of integration. After having experienced bitter centuries of war and enmity, imperial devastation, and outbursts of nationalism, the nations of Europe had begun to move in precisely the opposite direction. The establishment of a European community became the main driving force of the post-war era. Two important sources of vitality provided unsuspected reserves of power for this historic revolution: on the one hand the hope for peace among the former enemies in Europe and security in view of the threat from the East, and on the other expectations of economic prosperity through a common market. Both visions became reality. Europe began to be seen as a model of peace and prosperity that was admired throughout the world. The establishment of the single market, the disappearance of border controls in the Schengen area, and the introduction of the common currency euro provide impressive evidence of the European success story.¹

This success story is ongoing. After the historic enlargement round of 1 May 2004, when ten new countries joined the EU, the reunification of the continent will continue with the accession of Bulgaria and Romania. On 1 January 2007 Slovenia will become the first new member state to adopt the euro. The important role of the EU in the negotiations leading to the Ohrid Agreement in Macedonia constitutes a good example of its stabilizing power in its immediate neighbourhood. Global EU civilian and military crisis management missions, the establishment of the European Defence Agency, and the formation of battle groups provide evidence of the ongoing development of European Security and Defence Policy. Agreement on the EU Financial Perspective for 2007-2013, the adoption of the Services Directive, the start of a debate about energy security, the progress concerning the development of the European Galileo satellite navigation system and the enduring external attractiveness

¹ Werner Weidenfeld / Janis A. Emmanouilidis / Almut Metz: Europe's Strategic Responses. C·A·P Policy Analysis · 4 · 2006 (Download: <http://www.cap-lmu.de/publikationen/2006/cap-analyse-2006-04.php>).

of the integration project are further evidence for the continuing vitality of the European Union.

Yet at the same time the European success story nowadays resembles the description of a distant epoch. Perceptions of the European Union are increasingly characterized by national egoism and declining levels of public approval. Joint attempts to modernize the European economic area as part of the Lisbon strategy have made little headway.² In many member states the stability pact concerning the common currency is increasingly perceived as an obstacle to effective financial and monetary policy. Rising resistance to European mergers and takeover bids is a sign of a new economic nationalism. At the same time, enlargement fatigue and doubts about the compatibility between deepening and widening are increasingly widespread. Many politicians and sections of the public are increasingly beginning to cast doubt on the ability of the European Union to absorb further states.³ The constitutional process has come to a standstill, and reflections about the future of this process have failed to yield any tangible results.⁴ EU citizens and sections of the elites are losing confidence in the unification project. The erstwhile dynamism seems to have evaporated. Europe seems exhausted.

In this situation it is helpful to recall the problem at the heart of the issue of integration, which is the conceptual schism among the member states. Contradictory and irreconcilable attitudes toward the future of Europe collide. Whereas some construe the idea of the “United States of Europe” as a survival strategy for the continent, others are keen to emphasize that they have merely joined an internal market. This profound disagreement over the EU’s ultimate direction threatens to abruptly end the success story of European integration. The basic consensus over European integration policy is a thing of the past. The arguments are ostensibly about treaty texts, though deep down it is a matter of antagonistic views of the shape of things to come. If it proves impossible to reach some kind of agreement about the future political order of the continent, the Europe of 25 and soon more member states may well go into decline, and may possibly even fall apart. This problem cannot be resolved until the issue has been openly discussed.

The principal strategic question continues to remain unanswered. Why is there a need to undertake new efforts, why is it necessary to mobilize new powers? The answer to this question is linked to the new constellations and conditions of world politics. After the end of the Cold War, the rise of new economic and political powers in Asia and South America, and the globalization of economy and security, Europe’s future is increasingly being determined by developments taking place beyond its borders. There is a danger that the European continent will gradually become marginalized. Europe must not only react to these developments, it has the potential to inject its own ideas into the formulation of the rules governing the new economic and political world order.

European unification was and continues to be Europe’s response to a rapidly changing world. But Europe’s ability to exert its influence depends on whether the Europeans are able to renew the “European answer” in a manner that enables them to respond effectively to future challenges. This does not require the reinvention of

² Almut Metz: Halbzeit in Brüssel. Eine Bilanz des Frühjahrsgipfels zur Lissabon-Strategie am 22./23. März 2005 (Download: <http://www.cap-lmu.de/aktuell/positionen/2005/bruessel1.php>).

³ On the concept of “absorption capacity” see Olli Rehn: Europe’s Next Frontiers. Volume 14. Münchner Beiträge zur europäischen Einigung (ed. Werner Weidenfeld). Baden-Baden 2006.

⁴ Almut Metz / Kristina Notz: So klingt Europa. Eine Bilanz des österreichischen EU-Vorsitzes im ersten Halbjahr 2006. C-A-P Analyse · 3 · 2006 (Download: <http://www.cap-lmu.de/publikationen/2006/cap-analyse-2006-03.php>).

the wheel. The future European Union will to a significant extent be based on its historical achievements and structures. The cornerstone of the European house continues to be the fact that it is a project dedicated to peace. However, other aspects now deserve greater attention: A Europe whose transnational governmental structures need to be improved. A Europe that takes on global responsibilities. A Europe that is not merely a project of the elites, but that includes citizens in its decision-making processes. These cornerstones must be pieced together to establish a foundation for the future.

2. Future Challenges for the European Union

Facing the current state of the integration project, there are three major tasks for the future. Europe needs to assert itself internally and externally, and it needs to regain popular support.

2.1 Internal Self-Assertion: Guaranteeing Institutional Efficiency

2.1.1 Bringing the Constitutional Process to a Success

Following the rejection of the Constitution by the electorate in two of the EU's founding member states in early summer 2005, another historic attempt to provide a reliable political order for Europe appears to have failed. But the EU must nonetheless optimize its procedures in order to act effectively in the future. A number of alternatives to the Constitutional Treaty have been suggested over the last months⁵:

- The retention of the Treaty of Nice currently in force: This is to all intents and purposes not a viable option. The EU-25+ cannot be governed on the basis of a set of rules and regulations that in essence was originally conceived for six states. Without meaningful amendments to the Treaty of Nice the European Union will sooner or later experience a dramatic crisis of legitimacy.
- Holding on to the original Constitutional Treaty: This option presupposes that the new primary law will be presented unaltered to the French and Dutch electorates in another referendum. However, the chances that a second referendum will lead to the desired result seem rather slim.
- "Making the most of Nice": This option is not sufficient to ensure the enlarged EU's future efficiency or to enhance its democratic legitimacy. The implementation of constitutional innovations on the basis of the existing Treaties and thus beneath the level of formal amendments to primary law – for example, in the shape of inter-institutional agreements or modified rules of procedure – is

⁵ Nina Eschke / Thomas Malick (eds.): The European Constitution and its Ratification Crisis. Constitutional Debates in the EU Member States. ZEI Discussion Paper. C156 / 2006. Bonn 2006; Udo Diedrichs / Wolfgang Wessels: Die Europäische Union in der Verfassungsfalle? Analysen, Entwicklungen und Optionen. integration 4 / 2005 (28. Jg.). Baden-Baden 2005; Bettina Thalmaier: Nach den gescheiterten Referenden: Die Zukunft des Verfassungsvertrages. C·A·P Analyse · 2 · 2005 (Download: <http://www.cap-lmu.de/publikationen/2005/cap-analyse-2005-02.php>); Janis A. Emmanouilidis: Overcoming the Constitutional Crisis. The future of the constitutional process of the European Union. Paper delivered to the symposium of the European Parliament on 13/14 October 2005, Brussels (Download: <http://www.cap-lmu.de/publikationen/2005/constitutional-crisis.php>).

unlikely to be achieved in many important cases. Attempts to unravel the package as a whole and to “cherry-pick” individual elements of the Constitutional Treaty will come up against opposition from certain member states and thus fail.

- Present the electorate with a “shortened constitution” using the terminology of a “basic treaty” and combining Parts I, II, and IV of the Constitutional Treaty: This alternative is also rather problematic. On the one hand, the opponents of the Constitution will argue that it is simply duplicitous. On the other hand, this alternative would also require a revision of Part III of the constitutional text. This would definitely be an extremely time-consuming process that could not be completed without calling yet another a Convention.

A pragmatic option would be to transfer the core of the constitutional innovations into primary law in the shape of a treaty amending the Treaty of Nice.⁶ The provocatively titled “Constitution” would be transformed into a modest revision of the Treaty of Nice, thereby making it possible to incorporate the core of the constitutional innovations into the existing Treaties. To do this, it would be necessary to identify the central reforms of the Constitution and combine them in the shape of a treaty amending the primary law currently in force.

A “Treaty Amending the Treaty of Nice” represents a realistic option that respects the vote of the French and Dutch electorates, and at the same time allows the implementation of the central elements laid down in the Constitutional Treaty. None of the controversies in the member states were sparked off by the core of the Constitution. The considerable improvements made by the Constitution with regard to the EU’s efficiency, transparency and democratic legitimation have not been called into question. A “Treaty Amending the Treaty of Nice” should include the following constitutional innovations: the reform of the EU’s institutional system (elected President of the European Council, introduction of European Minister for Foreign Affairs, reduction in the size of the European Commission), the development of the decision-making and voting procedures (“double majority” in the Council, extension of majority decisions, early warning mechanism for national parliaments, introduction of the citizens’ initiative), the reform and enhancement of the instruments of differentiated integration (reforms of enhanced cooperation, new instruments in Security and Defence Policy), and other constitutional innovations such as the introduction of the Charter of Fundamental Rights.

The modesty of a “Treaty Amending the Treaty of Nice” offers a realistic solution for the current constitutional crisis. In this way the failure of one project might provide the impetus for a decisive spurt ahead. The next step would be to elaborate and adopt a less voluminous text that contains only the principal constitutional provisions while relegating the detailed non-constitutional provisions to a text below the constitutional level. Such a “division of the treaties”⁷ would provide the grounds for a readable constitutional document that corresponds both to the requirements of European governance and to the expectations of citizens.

2.1.2 Paving the Way for Future Reform Steps

⁶ Bertelsmann Group for Policy Research: Treaty Amending the Treaty of Nice. Second edition. August 2006 (Download: <http://www.cap-lmu.de/publikationen/2005/vertrag.php>).

⁷ Bertelsmann Forschungsgruppe Politik: Ein Grundvertrag für die Europäische Union. Entwurf zur Zweiteilung der Verträge. C·A·P Working Paper 5/2001 (Download: http://www.cap-lmu.de/publikationen/2000/cap_grundvertrag.php).

The European Union needs to prepare for the likely scenario that in the medium to long term it will comprise far more than 30 member states. Instead of wringing their hands over the possibility that the integration process in an enlarging Europe might grind to a standstill, decision-makers must not allow reforms to be deferred indefinitely. The strategic development of the EU must be directed toward preparing the Union for the membership of far more countries than it has today. Even with the constitutional reforms' entry into force the European Union will remain an institutional building site.

The adoption of the so-called "passerelle" or "bridging clauses" of the Constitutional Treaty, which aim to make it easier to reform the European Treaties, is in that respect an essential contribution to strengthen the EU's reform capability. It is also of fundamental importance to reform the procedure for future revisions of EU primary law. Here the Constitutional Treaty does not go far enough. The European Union needs a binding procedure for the eventuality that new primary law cannot enter into force on account of non-ratification by a small number of member states. Ever since the "No" votes in France and the Netherlands it has become evident that the agreed procedure whereby such matters are referred to the European Council is insufficient.

Finally, the European Union should evaluate the positive results as well as the shortcomings of the European Convention as an instrument of reforming EU primary law, and continue to explore new instruments for institutional reforms of different depths and quality.

2.1.3 Exploiting the Potential of Differentiated Integration

The increasing diversity of interests and the growing complexity of decision-making in a Union of 25 and soon more member states call for a greater degree of active and visible political management. More than ever before Europe needs various speeds in order to remain effective. Citizens expect the EU to provide state-like services in areas as diverse as justice and home affairs, foreign, security, defence, tax, environmental, and social policy. However, not all of the member states can or may wish to provide such services at the same time and with the same intensity. As was the case in the past with the common currency, the Schengen accords, or social policy, closer cooperation among a small group of countries can help to overcome a situation of stalemate and improve the way in which the EU functions.

The formation of such islands of "differentiated integration"⁸ should not be equated with the creation of a closed core Europe in which a small group of states determines the nature and fate of integration. Debates about a Europe of triumvirates, directorates or pioneer groups – which some demand and others fear – are unrealistic and counter-productive. In political practice, using instruments of differentiation to solve individual questions will not lead to an exclusive core of states, but to divergent leadership coalitions. The sum total of the individual cooperation projects and the intersection of the participating countries will create an "open area of gravitation". While all member states enjoy the basic right to participate in differentiation schemes, this right should not be allowed to jeopardize the success of individual differentiation projects. As a result, participation in specific projects must be linked to the fulfilment of certain prerequisites. Thus, the open area of gravitation will,

⁸ For an overview on the concept and the instruments of differentiated integration see Janis A. Emmanouilidis: *Der Weg zu einer neuen Integrationslogik – Elemente flexibler Integration in der Verfassung*". In Werner Weidenfeld (Ed.): *Die Europäische Verfassung in der Analyse*. Gütersloh 2005. 149-172.

for a certain length of time and in certain policy areas, lead to a Europe of different speeds.

However, the real potential of increased differentiation in Europe will be revealed only in practice. In the years ahead greater use should be made of the various kinds of differentiated integration. It will be particularly important that the EU institutions and the member states become familiar with the instrument of enhanced cooperation that was introduced in the Treaty of Amsterdam and modified by the Treaty of Nice and the Constitutional Treaty. The instrument of enhanced cooperation, which has not been employed in practice, should initially be used in the context of smaller differentiation projects in various policy areas. Only then will it be possible to ascertain how well the respective legal provisions work in practice and where improvements are needed in order to increase the usefulness of this key instrument of differentiation.

2.2 External Self-Assertion: Enlargement and Beyond

Enlargement has proved to be the EU's the most successful instrument of peaceful transformation that has brought stability and prosperity to Europe. With eastern enlargement in May 2004 the European Union has overcome the division of the continent and laid the foundations for the unification of Europe. However, as a result of enlargement the EU borders on sensitive neighbourhoods. The EU adjoins the post-Soviet space in the east, from the Barents Sea in the far north to the Black Sea in the south, the Middle East to the southeast and the states of northern Africa to the south. The stabilization of these areas is not only in Europe's interests, but at the same time constitutes a crucial contribution to the maintenance of world peace.

The European Union has special responsibilities in the southeast of the continent. On account of its potential and its own historical experiences, an enlarged Europe is now in a position to make an effective contribution to the solution of the cluster of problems in Southeastern Europe. The failure of European crisis management at the beginning of the 1990s taught European states the necessity of working together and served to align their interests. The European Council gave all states of the Western Balkans – Albania, Bosnia, Croatia, Macedonia, Serbia and Montenegro – a specific prospect of EU membership as early as 1999, and has confirmed this offer on numerous occasions. Accession negotiations are currently in progress with Croatia (since October 2005), and Macedonia has been granted candidate status in December 2005. After the accession of Bulgaria and Romania (most likely in 2007) there will be even greater pressure to close the “black hole” on the map of Europe. Southeastern enlargement – which is not comparable to the 2004 enlargement round in terms of either size or political and economic consequences – is thus not a question of whether or not, but of when and how.

The prospect of EU membership for the countries of the Western Balkans promotes not only reforms and western-oriented and liberal political forces in the countries concerned, it is also in the fundamental interest of the Union and its member states. Being linked to the European Union provides numerous opportunities for both the Balkan countries and the EU. The positive economic development of the region, which is underpinned by the prospect of EU membership, is indubitably in the economic interests of the Union. Participation in the area of freedom, security and justice ensures that the same standards apply, and reduces mutual mistrust in sensitive areas of inter-state cooperation such as border security, combating organized crime, as well as immigration, refugee and asylum policy. It seems clear

that only the full and equal integration of the Balkan countries into the Union at some specific point in the future can secure the strategic advantages that the EU already derives from association and gradual convergence.

However, the attractiveness of Europe does not end in the Balkans. Certain other states are pushing very hard to join the EU. While the 2004 enlargement constituted a decisive step toward completing the vision of a united Europe organized politically in the European Union, the next historic milestone is already around the corner. The start of accession negotiations with Turkey means that Europe has finally come to a point where it no longer has definitive borders. In essence the decision concerning Turkey marks the start of a large-scale process of enlargement reaching far beyond the Balkans, and where this will end is currently impossible to say. Europe urgently needs to understand the strategic ramifications of the path on which it has embarked.

Furthermore, the EU should continue to deepen its relations with neighbouring European states within the framework of a differentiated policy toward Eastern Europe. In this context, the EU must take into account the different levels of democratization as well as varying pro-European attitudes in the countries concerned. The EU needs a genuine strategy for Belarus and the Black Sea region, an area that will become even more strategically important after the accession of Bulgaria and Romania. The European Union should also initiate a Black Sea Dimension analogous to the Nordic Dimension for the Baltic region. Furthermore, the EU should focus on Central Asia, which is becoming ever more important for Europe in terms of security and energy policy.

Cooperation with the EU's immediate neighbours in Eastern Europe, the Black Sea region and Central Asia requires an active partnership with Russia.⁹ The Russian Federation continues to be an indispensable actor in Europe. Strategically the West must take Russia seriously and secure its involvement in key policy issues. At the same time the EU must emphasize the values and principles on which cooperation is based, and the necessity of democratic reforms in Russia.

The European Union is a factor to be reckoned with in world politics on account alone of its sheer size and economic strength. At the same time, Europe is also a very exposed actor. Contrary to the expectations of many Europeans, and in contrast to their intuition that the end of heavily armed superpower confrontation would free them from insecurity, world affairs are experiencing a period of disorder, risks, crises and unprecedented dangers. It is thus in Europe's best interests to assume more global responsibility. No member state acting on its own is in a position to provide the resources and instruments necessary to master these complex challenges. For this reason Europeans must act jointly to create a viable foreign, security and defence policy. A number of important steps have been taken since the establishment of the European Security and Defence Policy in 1999. The development of operational capabilities and the establishment of institutional structures for civilian and military crisis management, the establishment of a European Defence Agency, the global deployment of civilian and military EU missions, and the adoption of the European Security Strategy reflect the European will to establish the EU as a credible and reliable actor in international affairs. But still much needs to be done in order to strengthen the profile of the European Union on the international stage.

⁹ See also Iris Kempe / Hanna Smith: A Decade of Partnership and Cooperation in the Russia-EU relations. Strategy paper for the conference „A Decade of Partnership and Cooperation Russia-EU relations: Perceptions, Perspectives and Progress - Possibilities for the Next Decade”. Helsinki, 28-29 April 2006.

2.3 Regaining Popular Support

Regaining popular support is a precondition for the sustainability of the unification project. It is by no means *l'art pour l'art*. The negative constitutional referendums that currently block urgent institutional reforms demonstrate the vital interest of the member states in bringing Europe back to the people. If they fail, these deadlocks might well occur again, e.g. during future referendums on further enlargements. However, the task is complicated by the fact that EU citizens have lost their confidence in the abilities of policymakers. Declining trust is not a problem specific to European institutions, but a widespread phenomenon in all areas of political life. Yet this lack of confidence has particularly drastic consequences for the European project. The European Union enjoys a much smaller benefit of the doubt than the nation-states, and is called into question more quickly and fundamentally than its members.

Two approaches seem to be promising in order to strengthen European self-assurance and popular support: Europe needs to deliver good policies and needs to become more visible as a truly *political* project.

2.3.1 Delivering Good Policies

It will not be enough to proclaim a new European *raison d'être* in the form of a solemn declaration replete with group photo. Citizens and elites will only begin to sense a new fascination with the European project if the latter provides convincing evidence in everyday reality. But individual projects in different policy areas ("Europe of small projects") will not suffice to increase the EU's output legitimacy. Such projects fall short of the mark because, as far as citizens are concerned, they are either not visible enough, or, taken as a whole, resemble a patchwork of unrelated individual measures. In order to revitalize the integration project there is probably a need for a new grand project. European policymaking has always been particularly dynamic and successful whenever it set its sights on a large-scale and ambitious goal. The most impressive example of this was the single market project, "Europe '92".

Taking Europe's internal and external vulnerability into account, a new grand project may well wait in the field of internal and external security. Greater security policy integration can procure benefits for the member states and their citizens that the individual countries can no longer provide on their own.

2.3.2 Politicization of European Politics

A dynamic transnational democracy presupposes that citizens identify with the political system of the European Union and that European politics receive democratic legitimation. Although the institutional architecture of the European Union has developed considerably in recent years, a weak point of the system is becoming ever more apparent. Europe lacks resilient political debates about the content of EU policy. In large sections of the population "Brussels" is deemed to be a bureaucratic centre, not a centre of political activity. This perception springs above all from the fact that the principle of opposition, the dialectics of political discourse, and the personalization of conflicts play a minimal role in the EU's political system.

What can be done to redress this deficit? First of all, this will require a change in the minds of people. The exaggerated craving for harmony when it comes to Europe is out-dated. After 50 years the EU has reached a degree of inner maturity that makes it possible to view differences of opinion, divergent interests and conflicting goals as evidence of the vitality of the European policymaking process and not as an

existential threat. Furthermore, politicization on the European level should emulate what succeeds on the national level. Politics is made by people. Those who wish to make policymaking comprehensible must ensure that it is associated with identifiable individuals. Europe requires a higher level of personalization. Numerous innovations in the European Constitutional Treaty point in the right direction. The envisaged appointment of a President of the European Council, the proposed creation of a European Minister for Foreign Affairs, and the strengthening of the President of the Commission would give the EU identifiable faces that would be the focus of trust and distrust, approval and rejection.

The politicization of the European Union must also ensure that citizens enjoy greater democratic participation in European politics. This makes it imperative to dramatize European elections. By voting for MEPs of their choice, citizens should be able to exert a direct influence on the appointment of the President of the Commission. In order to increase the importance of the vote of EU citizens in European elections, the procedure for electing the Commission President should be reversed. The Commission President should not be nominated and appointed by the Heads of State and Government. Instead, the President should be nominated by European parties in the run-up to European Parliament elections on the basis of a common election manifesto, and elected by the new parliament. The President of the Commission duly elected by the European Parliament would then have to be confirmed by the Heads of State and Government on the basis of a qualified majority vote. This procedure would upgrade the importance of European elections as an act of electoral control.

3. Concluding Remark

The decision to embark on the unification project once brought peace and prosperity to the European continent. It is now time to view the success of the European project in a global perspective. This challenge requires an effective institutional set up, a less introspective Europe, and the formation of a European strategic community, which is capable of contributing to shaping the new global order. Europe will remain a building site for the years to come. In the early 1980s, when there were nascent signs of fatigue and talk of “eurosclerosis”, the strategic thinking of Jacques Delors helped to give a new impetus to the integration project. In the first half of 2007, it is the hands of the German EU Presidency to supply the European project with fresh ideas.¹⁰

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¹⁰ The following web dossiers provide extensive material on the German EU Presidency in 2007: <http://www.swp-berlin.org/de/brennpunkte/dossier.php?id=5747&PHP> (Stiftung Wissenschaft und Politik, Berlin); <http://www.europa2007.de> (Centrum für angewandte Politikforschung, München).