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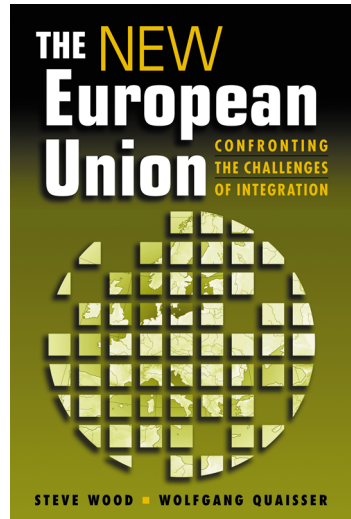
# The New European Union: Confronting the Challenges of Integration

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# 1

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## Setting the Stage

Legend has it that Zeus, in the form of a bull, kidnapped Europa, the daughter of a Phoenician king. Millennia after the story was first told, what the mythical Europa lent her name to remains protean and elusive. In geographic terms, the Atlantic and Arctic Oceans provide clear physical borders to the west and north of the curiously shaped landmass that protrudes from Asia. To the south, it is less clear why some Mediterranean islands should be classed as European and not African or Asian. And although numerous accounts refer to the Ural Mountains and varying shores of the Black, Caspian, and Azov Seas as boundaries, the eastern limits of Europe are most indistinct of all.

The lack of a precise geographic designation meant that culture and history gained authority as defining what and where Europe was. The history of Europe has become “world history” because so much has been exported, if then transmuted. Today many Europeans identify with a particular national consciousness and associate “Europe” with remote bureaucratic directives from “Brussels.” At the same time, with border fences removed and passport controls relaxed, they can experience incredible variety within a few hundred kilometers. Were they to be transported to another continent, they would soon recognize that they were no longer in Europe and regard themselves communally as Europeans. An understanding of Europe’s philosophical and intellectual roots in antiquity, the expansion of the Roman Empire and its judicial tradition, the influence of Christianity and Judaism and the Enlightenment and humanism, the separation of church and state, the development of citizenship, waves of emigration and immigration, bloody internal conflicts, and common defense against external threats, is needed to acquire insight into contemporary Europe.

Though regional empires were established, since the fall of Rome no power has maintained an enduring rule over the continent. Competition and rivalry spurred technological and human progress and contributed to countless wars. The excesses of totalitarian ideologies and regimes brought Europe to

## 2 The New European Union

the brink of annihilation and left it divided under the control of two external superpowers. It is against this background that Europe after the fall of the Berlin Wall is to be understood. Europe can only realize its potential through its diversity and peaceful competition among differing approaches to its organization.

The idea of Europe as a unified political or economic entity is more recent than conjecture or assumptions about its cultural and historical commonality.<sup>1</sup> Paralleling developments from the founding of the European Coal and Steel Community (ECSC) to the emergence of the European Union (EU) and beyond, the last half-century has seen an explosive growth in the study of the continent's integration.<sup>2</sup> What the EU is might be more contested than controversies and speculations about the character, the meaning, and the limits of Europe. In contrast to scholars, publicists, and politicians who emphasize political, geographical, historical, or cultural factors, there are others who argue that institutions and law are the decisive shapers of the EU's identity.<sup>3</sup> That view is aligned with a discourse, conveyed by the European Commission and other supporters of a multilevel, quasi-supranational governance system, in which the EU and Europe are often presented as synonymous. The objective is to generate identification with and trust in the EU as a whole, which will in turn encourage solidarity and cooperation among its parts. The influence of the EU as an interdependent community of member states, citizens, and institutions should then increase vis-à-vis an alternative configuration of more autonomous and self-interested nation-states.

The EU has grown from an original membership of six to twenty-seven member states. Six enlargements have occurred over the past half-century, the largest when ten new members joined in 2004 (see Table 1.1). Europe is not, however, the same as the EU, even if the latter is increasingly expected to take responsibility for shaping the former. Resistance to the EU reinforcing itself in such a role often accompanies these expectations, not least because there is no consensus on where the ultimate borders of either are. Reflecting the vagueness of the *Méthode Monnet*, the functionalist approach adopted by early practitioners of integration, neither the current EU nor its forerunners clearly specified what or where Europe is: its geographic or cultural limits or what a "European state" is or is not. It is not affirmed in the 1952 Paris treaty, the 1957 Rome Treaties, or the Treaty of Nice in 2000. Nor was it apparent in the proposed Constitutional Treaty (CT), or the "Berlin Declaration," signed at the fiftieth anniversary celebrations of the Rome Treaties.<sup>4</sup>

A combination of ambition, ambiguity, and irresolution has positioned the EU in a precarious situation. Presenting the EU as analogous with Europe, without defining what Europe is or is not, has encouraged a miscellany of states and peoples to aim at joining the EU. In some cases aspirations are based on claims to Europeanness that are perceived as unconvincing and are opposed. Concurrent to the entreaties of would-be members and disinterest or

**Table 1.1 The Ever Wider Union**

Original Member States (1958)	Enlargements					
	First (1973)	Second (1981)	Third (1986)	Fourth (1995)	Fifth (2004)	Sixth (2007)
Belgium	Britain	Greece	Spain	Austria	Czech Republic	Bulgaria
France	Denmark		Portugal	Finland		Romania
W. Germany	Ireland			Sweden	Cyprus	
Italy					Hungary	
Luxembourg					Estonia	
Netherlands					Latvia	
					Lithuania	
					Malta	
					Poland	
					Slovak Republic	
					Slovenia	

turbulence among current ones, the EU must cope with multiple intensifying pressures: global commercial and economic forces; reform in agricultural and regional policy and voting arrangements; security threats posed by terrorism or instability on its periphery and beyond; development policy and humanitarian aid; environmental and energy concerns; greater transparency and citizen democracy; and effective representation in the United Nations (UN), the World Trade Organization (WTO), and other forums.

Confronted with these circumstances, the EU has experienced a generalized crisis with many dimensions. Despite signs of an at least partial emergence from stagnation in key continental member states, the word “crisis” was still being used to characterize the EU’s condition in March 2007.<sup>5</sup> By June in that year, some optimism had returned after the political leaders of the member states managed to hammer out a preliminary compromise on a “Reform Treaty” to replace the failed CT. At time of writing, the new treaty still had to be approved at another Intergovernmental Conference (IGC) during the Portuguese presidency of the EU. It would then require ratification and implementation by all member states. With these processes incomplete it is uncertain how much content of the rejected CT will actually be adopted in revised form. The outcome of negotiations on the Reform Treaty will potentially have great effect on the EU’s strategies of deepening and widening. Yet even if the treaty outcome is ostensibly favorable, it is not clear that pursuing these strategies simultaneously can be successful—or what may happen if one or the other is not.<sup>6</sup>

A comprehensive shift to innovation and forward-looking policies, and

#### 4 *The New European Union*

away from a subsidization and redistribution mentality, is required. The EU must balance the powers of its institutions, clarify the competences of participating actors, and define new, apposite policy approaches. Doing those things presupposes a reorganization of the Union based on a stronger communal will. A gradual delineation of the EU into subgroups of states may be manageable; but it also may lead to fragmentation and unraveling. A more differentiated or à la carte EU, accompanied by doubts about whether either could function properly, could diminish European security.

Much hinges on whether new French president Nicolas Sarkozy can revitalize France and Germany's "Grand Coalition" government can encourage the economic recovery that appeared toward the end of 2006 to drive sustained growth and productivity. These two states are crucial. Improvement in their employment situations will reduce antipathy toward national political elites and to the EU. It may also temper aversions to recent and potential approaching enlargements.

In this book we examine the EU's successes, shortcomings, and issues that have arisen as a result of increasing membership, insufficient reform, and pressures from the world outside. Notwithstanding the contribution made by the EU and its forerunners to peace, prosperity, and democratization on the European continent, it cannot merely congratulate itself. Nor can its admirers continue to evoke historical successes as a sufficient response to the EU's critics. Under the geopolitical, institutional, and simple arithmetical conditions of earlier decades, it was far easier to balance a much narrower range of national and sectoral interests. Even then, there were examples of failure to reach a common position. Now the breadth of policy competence, proliferating national and group interests, and a growing influence of publics on the integration process, usually through pressure on member state governments, mean that it is harder to concur. "National interest" is often criticized as a nebulous term, but "European interest" is vaguer still.

Following this introduction, Chapter 2 analyzes economic themes and problems associated with trying to concurrently deepen and widen the EU. It reviews the transition in Central and Eastern Europe (CEE) that led to the accessions of first eight and then two more countries (CEECs) and their effects on the political economy of the EU. Chapter 3 examines the attempt to provide a constitutional foundation in an environment of popular dissatisfaction with aspects of EU development and associated renationalization trends. The disinclinations of member states to, in some instances at least, relinquish individual controls and integrate supranationally, limits their "Europeanization." Chapter 4 deals with reform pressures and options in agricultural and regional policy and budget financing. It also addresses the environment and energy, areas that have gained prominence in recent years. In Chapter 5 we appraise the EU's role as a global actor, including the Common Foreign and Security Policy (CFSP) and its component, the European Security and Defence Policy

(ESDP). The EU's wider neighborhood is the focus of Chapter 6. Successful interaction with its extended regional environment is essential if the EU is to sustain itself as a serious actor globally. Some neighbors want to enter the EU, and others want assistance; some present authentic problems, and others contain the potential to do so. In Chapter 7 we summarize these entwined contexts and consider scenarios that may confront the EU.

## A Short History of European Integration

The contours of a Western European institutional system<sup>7</sup> are sketched in the early correspondence between French foreign minister Robert Schumann and indicative planner Jean Monnet.<sup>8</sup> At the center was a Franco-German compromise that began with the ECSC.<sup>9</sup> Reconciliation among these hereditary enemies was envisaged as the foundation of lasting peace and prosperity in Europe. French agricultural interests and pretence to world power status were balanced with the Federal Republic of Germany's (FRG's) desire for international rehabilitation and secure markets for its industrial goods. The others, it was noted, were "window dressing."<sup>10</sup> The failure of the European Defence Community (EDC) in 1954, largely because of Gaullist aversions to intrusions in this core area of national sovereignty, confirmed the North Atlantic Treaty Organization (NATO) as Western Europe's sole credible security entity during the Cold War. France's withdrawal from NATO's integrated command structure followed in 1966. The alliance embodied the benign hegemony of the United States, which maintained Western Europe as a comfortable, hermetic economic community. In many estimations NATO contributed as much to the peace project as the European institutions.

It was in a context of guaranteed welfare and security that the "European social model" impressed itself on the elite and popular consciousness. Certainly there was and is differentiation in the operation of particular examples: the French, Dutch, Italian, Scandinavian, or German. Nonetheless, the political sociology and related expectations that formed during the postwar period have, despite tremendous geopolitical and economic changes, maintained influence among European electorates. That philosophy is also entrenched among sections of the older, continental, political and bureaucratic cadres in Brussels. It is one reason why innovative response to global economic forces, most pertinently in France and Germany, has proved difficult.<sup>11</sup> Reform of inefficient economic and social models is, however, unavoidable.<sup>12</sup>

The Single European Act (SEA), the 1986 outcome of a grand bargain between the governments of Margaret Thatcher, Helmut Kohl, and François Mitterrand, and the drive of then Commission president Jacques Delors, was a significant move toward liberalizing markets and deepening economic integration.<sup>13</sup> In return for freer trade, Thatcher consented to the introduction of qual-



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ified majority voting (QMV), which opened possibilities for integration in other areas. Economic and Monetary Union (EMU), introduced by the Maastricht Treaty of 1992, advanced the process toward a unified economic space and culminated in the arrival of the euro in 1999. Thereafter, the concentration shifted to the political-security project of eastern enlargement. In May 2004, eight states from CEE, along with (Greek) Cyprus and Malta, acceded to the EU.

The liberalization process that began with the SEA, and was further stimulated by enlargement, faces opposition in the labor market, agricultural, and other policy areas. Regulations for financial sectors and services industries remain largely national. Resistance to liberal reforms is bound with the political sclerosis that has affected key member states. A related effect is that certain legislation, like the Stability and Growth Pact (SGP), has been flouted by states that previously insisted on it. All that is a manifestation of how, as institutions developed, member states adapted and continued to represent disparate political communities, rather than evolving into a superstate with a corresponding European nation or public. These developments support cogent arguments that nation-states have not withered away as integration progressed, but rather have been reinforced by it.<sup>14</sup> Despite the dismantling of border controls throughout most of the EU, the nation-state is still instinctively regarded as a protector against threats, as a provider of social security, as responsible for employment creation, for sending compatriots to war, for law and order, and for taxation. Europeans identify much more—politically, culturally, and emotionally—with “their” nation-states than with Europe or the EU. That fact links to a central debate in the discipline of international relations: the relation between material interests and affective identifications and their relative influence on politics and policies. Both sets of motivations affect the integration process (see Table 1.2).

Each new member state increases the range of interests to be accounted for and balanced. For the most part, that was manageable until the goal of reunification enshrined in the FRG’s 1949 Basic Law was surprisingly and expeditiously fulfilled. The transformation of 1989–1991 not only changed political and institutional interactions but also recast historical and psychological aspects of the German relationship with European integration<sup>15</sup> and with *Mittleuropa*.<sup>16</sup> Although it initially appeared that German reunification would unleash an enlarged powerhouse in the center of Europe, it brought problems, disadvantages, and costs as well as benefits, not only for (West) Germany but much of Western Europe. The Cold War’s end exposed the discrepancy between Western Europe’s economic power on the one hand and its political weakness and security dependence on the other. Those features are present in many studies of the EU’s advent and progress.<sup>17</sup> Realists did not pay much attention to Europe as a world actor; they considered that the western half’s integration was only possible in the bipolar context: a negative integration fac-

**Table 1.2 Major Steps in European Integration**

Project	Year	Character/Content	Achievements/Problems
Treaty of Rome	1957	Basic treaty proclaiming “ever closer union”	Foundation of the EEC (European Economic Community); vagueness about finalité
Single European Act (SEA)	1986	Partly liberalizes EU economic space	Breakthrough toward the Single Market; introduces qualified majority voting
Single Market (SM)	1992	Capital, goods, labor, services move freely	Success incomplete; services and finance industries still largely national
Treaty on European Union (EMU, CFSP)	Signed, 1992; in effect, 1993	Monetary policy administered by European Central Bank (ECB); foreign/security policy	Success with EMU, but criteria not adhered to by all; stability pact under pressure; CFSP involved sharp learning curve, developing institutional structures, funding shortage
European Security and Defence Policy (ESDP)	1999	Security and defense policy	Success in initial missions; some rival preferences and sensitivities about sovereignty; aversions to military EU; tension with NATO/United States
Euro	1999	Common currency	After initial fall, a solid value maintained
Enlargement	2004	Entry of ten, mainly CEECs, to the EU	Despite skepticism a successful project; much left to complete
Enlargement	2007	Bulgaria and Romania accede	Two of the least developed states in Europe; very reliant on the EU

tor in the form of the Soviet Union on the one hand and a protective umbrella and political leadership provided by the United States on the other.<sup>18</sup> In contrast, neo-functionalism emerged as a response to internal Western European developments. Its adherents believed that integration was driven by an expansive logic and would gradually extend from one area to others (the “spillover” concept). At times highly influential, neo-functionalism was criticized for its apolitical nature, and a leading proponent came to write of its “obsolescence.”<sup>19</sup> Another school combined elements of realist power politics, liberal economic interests, and historical institutionalism to account for the EU’s evolution.<sup>20</sup>

In comparison with work on integration, there has been less theory about reforms and how to implement them, though it is widely agreed in the academic literature that the EU needs an injection of initiative and flexibility.<sup>21</sup> As Lars-Erik Cederman declares, “The golden days of Jean Monnet’s functional

integration are definitely over.”<sup>22</sup> Fundamentals are being reassessed. A narrow inward focus is no longer possible. At the same time, effective external action requires internal resolve and cohesion. Creating “strategic partnerships” implies new applications of “variable geometry” and obliges a (tacit) categorization of insiders and outsiders involving “identity trade-offs.”<sup>23</sup> An example was the “Ring of Friends” formulation floated by then Commission president Romano Prodi, as a discursive precursor to a neighborhood strategy.<sup>24</sup>

Without ignoring the potential for intense institutionalization or socialization to influence bureaucratic as well as political actors, and thereby the integration process more broadly, in our view intergovernmentalism has best reflected where decisive power resides within the EU complex. It provides a persuasive explanation of how and why agreement or impasse on substantive initiatives in integration, such as the SEA, TEU, or EDC, have occurred and of wrangling over voting weight, budgetary contributions and redistribution, and foreign policy interests. In recent years growing popular influence on EU politics has joined intergovernmental interaction as a crucial factor. National electorates have demonstrated a capacity to make agreement between state executives more difficult and to derail or cause the revision of policy. Despite its role in generating cooperation and welfare, the EU has not acquired the affection of member populations or generated the communal will to enthusiastically support agendas of transformation or enlargement, especially in times of economic uncertainty. Here emotive elements have a role in determining the EU’s current condition. A combination of deficient popular identification with the EU, and intergovernmental power struggles, resulted in some renationalization trends.

### **Institutions and Policymaking**

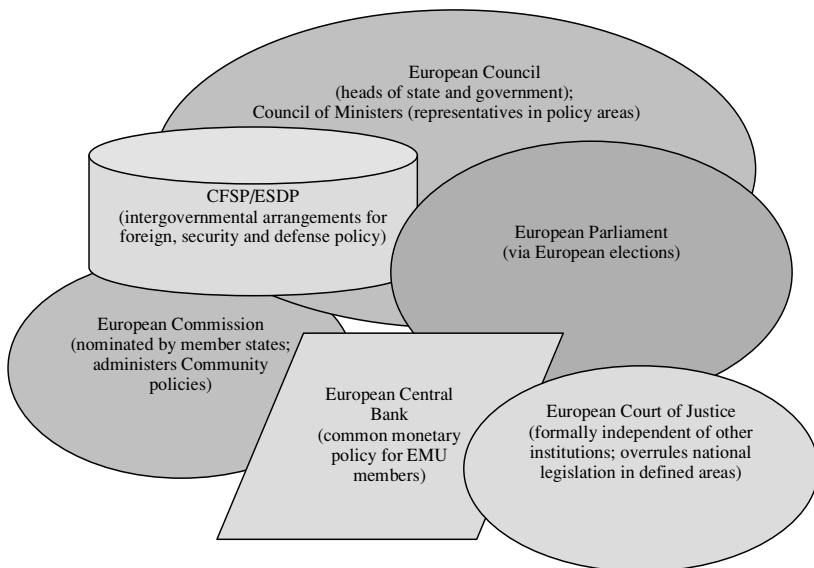
A singular feature of the European project is its institutional architecture. Whether states are perceived as decisive, predominant, or otherwise, institutions have a special status, role, and interaction in the EU—even if they do not always achieve what their personnel and advocates might wish. Accompanying this configuration is a distinctive form of interinstitutional rivalry. It is manifested in power struggles between the Commission, with its formal right of initiative in communal policy; the European Parliament (EP), with claims to authority based on democratic representation; and the European Council (the heads of state and government), seconded in day-to-day business by the Council of Ministers (hereafter the Council) and the two Committees of Permanent Representatives (COREPERs).<sup>25</sup> The Constitutional Treaty was a recent focus for a familiar lament that politics—national politics—ignores or subverts a proper and necessary European vocation, whereby states and publics unselfishly adapt their preferences for the common good.<sup>26</sup> Though

supported by the Commission and Parliament, the first draft of the treaty failed because national political elites could not agree. Coexistent with the EU's unique institutional arrangements, all states have particular interests and strive to acquire or retain a capacity to attain them. Notwithstanding multilevel governance structures, institutional power resides primarily in the voting system of the Council. After grueling negotiations, a compromise on a new double majority requirement to pass the CT (55 percent of states representing 65 percent of the EU population) was reached in 2004 to enable the second CT draft to move toward ratification. Another power center, national electorates, then made its presence felt.

Institutional peculiarities are partly responsible for criticism targeting a lack of transparency and public scrutiny. Disapproval is directed at the Commission's "unelected" bureaucratic influence and at the secrecy surrounding Council deliberations. Although the calculated imprecision of the Monnet system still operates, the member states are no less responsible.<sup>27</sup> The EP has gained in authority, though an authentic European party system and electorate are yet to emerge. Some scholars accentuate an expansion of "informal governance," which may counter the EP's objective to strengthen, with itself as the focus, formal democratic representation at the European level (see Figure 1.1).<sup>28</sup>

In regard to the EU's complex policy and financing arrangements, Loukas Tsoulakis argues that "the economist from Mars would find it hard to make

**Figure 1.1 EU Institutions**



any sense of it. Rationality, as defined by economists, including those from outer space, does not always help much in understanding the ways of European integration.” Perhaps no field has been so central to everyday EU affairs as the Common Agricultural Policy (CAP), and none has motivated such sustained demand for reform or abolition. Excepting those in receipt of subsidies or actors whose fortunes are partly dependent on its maintenance, the CAP is widely maligned. According to Tsoulakis, “The CAP is, undoubtedly, one of the best examples of the divorce between policy and economic rationality.”<sup>29</sup> Problems already present were exacerbated by admitting several states whose economies featured large agricultural sectors. The arrival of poorer members also increased pressure on structural and cohesion funding, which had to be reformed. One inevitable result is that customary net receivers, such as Spain, Greece, and Ireland, will have their transfers reduced or become net payers.

Focused for decades on wealth redistribution, the EU is now compelled to develop programs that promote wealth generation. The Lisbon Agenda is the most ambitious, promoting high-quality, technological innovation. Its implementation and results have been disappointing, and the hoped-for extensive benefits have not ensued. The Single Market (SM) has been a success, though some areas are incomplete.<sup>30</sup> EMU and the introduction of its centerpiece, the euro, is an outstanding achievement.<sup>31</sup> If price stability and hard money goals have been successful, European employment strategies have failed. The euro’s maintenance as a hard currency, after an initial fall vis-à-vis the US dollar, is opposed by some political forces. They argue for a relaxation of the criteria underpinning it to combat high unemployment within the eurozone.

Former NATO chief Manfred Wörner claimed, “The European Union without a defence identity would be incomplete and would condemn Europe to playing an essentially rhetorical role in world affairs.”<sup>32</sup> The CFSP was introduced in 1993 and is central to the EU’s adaptation to the changing global context. A newer component, the ESDP, is the principal manifestation of the EU’s gradual transition from a “civilian power” to one with a capacity to defend itself against diverse security threats, if necessary by projected military force.<sup>33</sup> Foreign and security policy was the most evident location of a “capability-expectations gap.”<sup>34</sup> Progress has been made, but the world outside sometimes intrudes in uncomfortable or dangerous ways. Tsoulakis observes that “many people have tended to take official rhetoric too seriously, only to be surprised when they later discovered that political union or a genuinely common foreign policy were not simply waiting around the corner.”<sup>35</sup> In 2003, two of the CFSP’s prime movers, Germany and France, traversed a dangerous course by allying with Russia and China in the UN Security Council (UNSC) against the United States and UK.<sup>36</sup> The timing was especially problematic because the rift widened while an Anglo-French initiative to transform an ESD *identity* into an ESD *policy* was in its early stages.<sup>37</sup>

## Stumbling Blocks and Unresolved Issues

General efficiency in the functioning of a union approaching thirty members devolves in large part onto Council voting arrangements, which translate into political weight and room for national maneuver in the institutional context. Persisting differences of interest can mean the formation of blocking coalitions and the dilution or abandonment of initiatives. The rejection of the CT, which many politicians and analysts did not perceive as likely until it had become a *fait accompli*, left a practical and psychological hurdle. Even if some objectives in the CT may be reached via other routes, the ideal behind the enterprise has been undermined. Other questions, some linked to the 2005 referendum results, relate to the creation and distribution of resources. What are the preconditions for payments? Who can join? How will it all be funded?

The EU failed to grasp the opportunity for wholesale renovation presented by enlargement. The reasons include vested and competing interests in member states, the desire of governments to retain power and privileges domestically, including through populist appeals, and the underestimated category of national prestige, but the most important reason is a deficiency of common European will. The EU may espouse particular values, but it is not primarily a “value community.” The EU is first a community of interests. When they are successfully balanced and pursued, then the sum of the parts can operate as a more or less efficient whole. The macro-objective of harmonization at the highest possible living standard within a secure environment is then facilitated.

To achieve that goal now requires a means of dealing with members that have a far lower per capita income and level of economic development than the EU average. Other neighbors are poorer still. In late 2004, as a Commission report and European Council summit to decide on opening membership negotiations with it approached, Turkey surged to the top of the EU’s agenda.<sup>38</sup> For a brief period, it was overshadowed by events in Ukraine. Other states, weak, authoritarian, or undergoing transition to democracy, also make claims for assistance or accession. It is unlikely that all or perhaps any will have fulfilled the “Copenhagen criteria” in all respects.<sup>39</sup> Balkan countries will eventually be accepted for membership. If they and Turkey are, on what consistent grounds could the EU refuse others that might apply? Others include Armenia, Azerbaijan, Israel, a Palestinian state (or “authority”), Georgia, Moldova, Morocco, Tunisia, Egypt, Algeria, and even Russia, which in many estimations is culturally and historically the most “European” of all.<sup>40</sup> Belarus, “the last dictatorship in Europe,” may also apply.

Possible further expansion of the EU raises a basic question: Who has legitimate claims to belong to “Europe,” and thereby the EU, and who does not? It raises the issue of European solidarity, which links common identity, or a “we-feeling,” with the financing of projects and the preparedness of some

states and citizens to provide for others.<sup>41</sup> Although the EU has continued to expand in membership and policy scope, this solidarity is under more pressure than ever. Identity and interests can be barriers to unity. The generosity of richer member states, as well as those that have benefited greatly from resource redistribution, is tested. By comparison, the nonmembership of Switzerland and Norway indicates that they envisage more outlays and encumbrances than benefits. Both have held more than one referendum on EU entry, all resulting in “no” votes.

These themes are linked to a recurring criticism of the EU: its alleged democratic deficit. It was established and run by elites, even if it was inspired by the propensity of Europe’s populations to engage in nationalist rivalries. One result is the continued absence of a pan-European public; another is ambivalence about features of the Brussels system. The impact of some developments, such as Turkey’s bid for membership, was underestimated. While the December 2004 decision to open negotiations was made by the EU heads of state and government, some, including Jacques Chirac of France and Jan Peter Balkenende of the Netherlands, announced their countries would hold national referendums on the CT. Their decisions came after British prime minister Tony Blair announced that he would do so. Referendums granted citizens of those countries direct involvement in decisionmaking on a pivotal issue. The array of states wishing to join, reform pressures, and the scramble for funding will increase demands within member states’ populations for a voice in determining the EU’s agenda.

Meanwhile, defense, security, and foreign policy, fields in which progress has occurred in recent years, remain full of real and potential obstacles. And there are many other serious concerns. Two examples give some indication: first, the flow of people, many from Africa, attempting to enter the EU; and second, the need for an enormous supply of energy resources. The dispute between Russia and Ukraine in early 2006, which temporarily disrupted gas supplies to some EU states, exposed European sensitivities in this context. Political machinations may have greater significance for the security of continued EU access to energy resources than purely economic factors.

Extensive reforms are necessary for the EU to function at or near optimal capacity. It must not be afraid of competition. It must also generate a common political will: to act coherently and decisively; create wealth; defend itself, sometimes through crisis management and peace-ensuring missions in distant locations; and set limits on membership. Only then can Europe’s potential be realized.

## Notes

1. Cf. Pim den Boer, “Europe to 1914: The Making of an Idea,” in Kevin Wilson and Jan van der Dussen, eds., *The History of the Idea of Europe* (London: Open

University/Routledge, 1995), 13. See also Norman Davies, *Europe: A History* (Oxford: Oxford University Press, 1996).

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30. This is sometimes referred to as the "Internal Market," the "single European Market," the "Common Market," or the "Binnenmarkt."

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36. Hans-Peter Schwarz, "Elefanten und Biber," *Frankfurter Allgemeine Zeitung*, 20 May 2003, 8. An interesting account of the international dispute over Iraq and other relevant aspects of European, Russian, Chinese, and US foreign policy, combined with a theoretical argument against "soft balancing," is provided by Stephen Brooks and William Wohlforth, "Hard Times for Soft Balancing," *International Security* 30, no. 1 (2005): 72–108.

37. Jolyon Howorth, "France, Britain and the Euro-Atlantic Crisis," *Survival* 45, no. 4 (2003–2004): 173–192.

38. Wolfgang Quaisser and Steve Wood, *EU Member Turkey? Preconditions, Consequences, and Integration Alternatives* (München: Forost, 2004).

39. The Copenhagen criteria are conditions for membership of the EU as determined by the European Council in Copenhagen on 21–22 June 1993: "Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union." An additional criterion, especially in regard to Turkey's potential accession, stated that "the Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries." See Council of the European Union, European Council in Copenhagen, 21–22 June 1993: Conclusions of the Presidency SN 180/1/93 REV 1 (Copenhagen, 1993): 13.

40. Cf. Graeme Herd, "Russia and the European Union," and Christopher Preston, "Russia in the EU or the EU in Russia? Approaches to Kaliningrad," in Julie Smith and Charles Jenkins, eds., *Through the Paper Curtain: Insiders and Outsiders in the New Europe* (London: RIIA/Blackwell, 2003), 123–146 and 147–167, respectively.

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