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But has the EU sacrificed clout on world stage?

By Dan Bilefsky and Stephen Castle

BRUSSELS: The revamped treaty hammered out by European leaders at a marathon summit meeting here will rescue the bloc from its current existential crisis. But the "United States of Europe" envisioned by the EU's founding fathers is dead, and Europe's ability to act as a unified power on the world stage remains in doubt.

In the short term, the deal will help bring to an end two years of drift that have plagued the bloc since the French and the Dutch rejected the proposed constitution two years ago.

News Analysis The period has been marked by the reassertion of the nation state, as governments increasingly bypassed Brussels while a discredited union grappled with institutional questions and abandoned its grand projects.

With a road map for its future in hand, a newly empowered union should be able to take a larger global leadership role and become a more equal partner with Washington on issues ranging from the Middle East, a newly assertive Russia and energy security. The creation of a more powerful EU foreign policy chief to represent the bloc internationally should also help Europe to better speak with one voice, making it clearer than ever whom Washington needs to call when, as Henry Kissinger once put it, it "wants to speak to Europe."

Tony Blair, the departing prime minister of Britain, said the deal gave Europe the chance to put its internal distractions behind it and to grapple with the larger problems of the world.

"This deal gives us a chance to move on," he said. "It gives us a chance to concentrate on the issues to do with the economy, organized crime, terrorism, immigration, defense, climate change, the environment, energy — the problems that really concern citizens in Europe."

Blair knows all too well how distracting arguments over the structure of the EU can be. He was one of the participants in the Nice summit meeting in 2000 that hammered out the EU's current rule book only after a grueling meeting that ran into five days.

Since that deal, EU policy makers devoted huge efforts to drawing up a constitution, only for it to be rejected by voters in France and the Netherlands.

Whatever new cohesiveness has been achieved will also be undermined by a messy, compromise treaty, whose opt-outs for Britain and concessions for Poland have laid to rest the founding father's dream of a unified federal Europe.

With a streamlined voting system delayed up until 2014 under pressure from Warsaw and with countries able to disregard common justice and home affairs rules, it is a Europe of nation states that has triumphed.

The result is that groups of countries will forge ahead with more integration, while leaving others behind. That will make it difficult for the EU to remain unified and will make the world's biggest trading bloc an even more unwieldy and confusing partner.

"This is a more à la carte Europe," a

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A different road map for Europe

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senior diplomat said on condition of anonymity. "It is the end of the road for integrationists."

By delaying the introduction of a new voting system for another seven years, European leaders may also have left a question mark over whether the EU can let in more members, potentially depriving the bloc of one of its greatest foreign policy tools since the end of the Cold War. One change won by the Netherlands made part of the conditions for entry a commitment to promote EU values. There will also be an obligation to notify the European Parliament and national parliaments of an application for membership.

This tougher stance will create uncertainty for the host of countries knocking at the EU's door, including Turkey, Croatia, Macedonia, Serbia and Montenegro, Albania and longer-term aspirants such as Ukraine.

The prospect of joining the EU has inspired Turkey to press ahead with difficult economic and political reforms and accelerated the arrest of war criminals in Croatia and Serbia and Montenegro.

Would-be EU members could be put off by a treaty whose institutional changes do not go far enough to favor their entry.

The compromise also introduced a

mechanism for states just short of a blocking minority to postpone EU decisions and force further talks. The consequence is that decision-making will continue to remain unwieldy for years to come. At a time when European publics are already wary of expanding the bloc further, this will strengthen those critics of EU expansion who ar-

'This is a more à la carte Europe. It is the end of the road for integrationists.'

gue that the EU's already has expanded too far and too fast.

Moreover the accord made Saturday is not a final one. Technically what was agreed on is a mandate for a treaty that must be finalized by the end of the year. Even then it needs to be ratified by all 27 nations; at least one, Ireland, intends to hold a referendum. Britain's prime minister in waiting, Gordon Brown, will shrug off demands from the Conservative opposition for a plebiscite. It remains unclear whether Denmark will offer a popular vote.

Some fear that the deal could undermine EU's efforts to become the world's most competitive trading bloc and to catch up with the United States and fast-

growing economies in India and China. Under pressure from President Nicolas Sarkozy of France, EU leaders agreed to remove the commitment to "free and undistorted" competition from the treaty — a political and symbolic move to try to appease French voters who rejected the EU's constitution two years ago in part because of fears about economic competition and globalization.

The result is that while "full employment" and "social progress" are touted as key EU principles in the treaty, a commitment to open and free competition is mentioned only in a protocol attached to the document.

Blair was at pains Friday to emphasize that the EU's vaunted internal market was guaranteed by the treaty. German officials stressed that the legal basis for EU competition policy was assured, because it is mentioned 13 times in other EU texts, and enshrined in EU law.

But some antitrust experts warned that the removal of the competition reference from the treaty's guiding principles could send a dangerous signal to judges at the European Court of Justice, the EU's highest court, which adjudicates in European competition cases.

It could also exacerbate divisions between Britain and the EU's newest member states from the east, who favor a more economically liberal and open Europe, and countries like France and Germany who want to assure social protections.