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INSTITUTE REPORT

The EU in Trouble – What Is to Be Done? (Implications of the crisis for foreign policy and enlargement)

Seminar, Paris, 7 July 2005

Following the rejection of the EU constitutional treaty in France and the Netherlands and the subsequent disagreement over the budget, the EU entered into a period of uncertainty and unpredictability. Although foreign policy did not figure prominently in the constitutional debates, the current crisis may come to affect the EU's ability and its will to act externally. The brain-storming seminar organised by the EUISS focused explicitly on those dimensions of the crisis that could affect the EU's ability to develop into a foreign policy actor.

The session was split into three panels dealing respectively with: EU foreign policy, enlargement and institutional implications of the crisis.

1. EU foreign policy

Foreign and security policy was not the reason why people voted against the constitution. As consistently proved in a number of opinion polls, the citizens of the EU (both in old and new member states) support a stronger external role for the EU and its ability to act as an independent foreign policy actor. These views have not changed nor have they been seriously challenged since the emergence of the current ratification crisis.

The foreign and security role of the EU continues and in many respects is expanding, as is apparent in the ever-growing number of ESDP operations (e.g. successful handover in Bosnia, a possible future mission in Ache). On a number of foreign policy issues, for example regarding the developments in Central Asia or in Sudan, we can observe an emergence of genuine European perspectives, which are often stronger than national views. Transatlantic cooperation is in better condition, with the US willing to foster partnership with the EU and expressing concern over the current constitutional crisis.

Despite this upbeat assessment, there is no doubt that the crisis of the constitutional process constrains the EU's ability to develop an institutional capacity for external action. The loss of the position of EU foreign minister, of the mechanisms of structured and enhanced cooperation and of legal personality are certainly considerable setbacks, which mean that, at

least for some time, the EU would not have these new foreign policy tools. The crisis has also undermined trust in the EU institutions, with the Commission being often accused of pursuing too liberal an agenda and the Council unable to reach agreement over the budget. The budgetary debate demonstrated a real danger of national perspectives obstructing normal working of the EU for some time to come.

The way out of the current crisis is either:

- 1) a longer period of reflection and limited action; or
- 2) actively looking forward to ways to develop the EU's foreign policy capacity despite the constitutional crisis.

An overwhelming majority of the event's participants expressed their preference for the second option, advocating a number of practical solutions that may be used to sustain the foreign policy momentum.

- The most negative implication of the treaty's failure is the loss of the position of a *double-hatted foreign minister*. The EU should come back to this project either through internal agreement or through a separate treaty adopted after some period of reflection. It is unlikely that such a move would inspire a massive popular objection since people did not object to the Constitution because of this provision and, as argued above, boosting the EU's capacity for external action continues to enjoy popular support.
- The EU needs to continue developing its *defence dimension* undertaking more missions, operationalising battle groups, enhancing its planning capacity. A stronger and functional ESDP would be likely to produce a spillover into CFSP and enhance the EU's external role.
- There is much scope for the improvement of *inter-pillar cooperation* within the framework of the existing treaties. There should be more cooperation between security (Council) and development (Commission) experts. The Commission should also begin to contribute financially to ESDP operations (see also part 3- 'institutions').
- The foreign policy dimension of the *European Neighbourhood Policy* should be strengthened. At the moment the ENP has an ambiguous enlargement dynamics and a weak foreign policy aspect. With the enlargement option being severely weakened by the current crisis there is a real need to turn the ENP into a proper foreign policy tool.
- A proper CFSP has to be developed in the areas vital for some member states, <u>Russia</u> in particular. At the moment member states pursue divergent policies towards Russia, which often has negative implications for the trust-building process in the EU.
- The area of present and real concern for the EU citizens is *internal security*, which, although traditionally a domestic issue, has become increasingly linked to our security and foreign policy. The rise of terrorist threat (the seminar was interrupted by the news of the terrorist attacks in London), illegal migration, criminal networks

are all the issues that people care about whilst often perceiving the EU as unable to improve the current situation. The EU's effective action in the area and greater coherence between the 2^{nd} and 3^{rd} pillars would have beneficial effects for general attitude towards European integration.

2. Enlargement

Enlargement has often been identified as the major cause and a potential victim of the current crisis. Whilst according to the recent Eurobarometer poll only a small proportion (between 3-6%) of French and Dutch voters rejected the treaty in protest against past and future enlargements, policy-makers seemed to accept the view that the policy has played a much bigger role in the ratification crisis. This was demonstrated by numerous voices calling for the pause, reflection, slowing down or even a halt to future enlargements as expressed by the members of the political establishment in the EU.

Whether we accept this logic or not there is no doubt that a serious debate about the desirability of future enlargements is in process. Consequently, some vital questions need to be answered, of which the three following seem most urgent:

- 1) Should we prioritise some candidates over others and if so, on what grounds?
- 2) Can we afford not to have further enlargements?
- 3) What reasonable alternatives to full membership can we offer?

There was a general consensus in the group that any prioritisation of the current and potential candidates could only take part on the grounds of their application and compliance with EU conditionality, and as such remain based on objective rather than cultural/religious criteria. Some participants also argued that enlargement constitutes an essential foreign policy instrument. There has also been general agreement that in no circumstances should the Western Balkans fall victim of 'enlargement fatigue'. However, the general mood was in favour of establishing limits to potential future expansions and defining other than enlargement-based tools for stabilising EU's regional milieu. There have also been calls for think-tanks to develop viable alternatives to enlargement.

The following views were expressed regarding the existing groups of candidates and potential aspirants:

Bulgaria and Romania. The EU has to honour its obligations. The door for these countries should be open with a view to them joining in 2007 or 2008. However, this should be conditioned upon a very strict application of *acquis* and reforms as specified by the EU. This is not only essential from the point of view of fostering the EU's internal coherence and coping with the fears expressed by the critics of the policy, but strict conditionality in the case of Bulgaria and Romania is also important for any further expansions of the EU. Should enlargement to these countries prove to be a failure, it would be very difficult for the EU to continue with any further enlargements in the foreseeable future.

Western Balkans. Following the European Council declaration in Thessaloniki and the publication of its Security Strategy, the EU committed itself to further enlargement to the Western Balkans. This commitment should be honoured, however, again, the application of conditionality should be very rigorous and strict. Considering the current situation in the area, it is likely that completion of the process would be long and protracted. Therefore, in order to

avoid any possible backlash and raise premature hopes the EU should declare that whilst it sustains its intention to offer eventual EU membership to the peoples of the area it would be a process likely to take a decade or more.

Turkey (and Ukraine). Whilst the EU should begin negotiations with Turkey as planed on 3 October, it needs to be stressed that this is an open-ended process with no guarantee of eventual success. Bringing Turkey in poses major challenge to the coherence of the EU, which is beyond the scope of the enlargement in 2004. In addition, saying yes to Turkey would make it difficult not to do the same with Ukraine. It is not clear whether the EU would be in a fit state to cope with such a challenge in the foreseeable future.

It is therefore important to break the existing taboo and seriously investigate prospects for developing alternatives to full membership. In this context, the group mentioned looking into the existing European Economic Area (EEA) as well as revitalising the Council of Europe and the OSCE. Most of all, many in the group called for think-tanks to begin a serious debate on the matter and consider the content, costs and desirability of the 'privileged partnership' idea.

3. Institutions

One of the gravest implications of the crisis is the loss of confidence in EU institutions, the Commission and the Council in particular. The prestige of the Commission suffered in some member states because of the Bolkenstein directive and the role it played in the French referendum. The Council is seen as intensely divided and unable to lead. The European Parliament suffers from a lack of legitimacy, as underlined by the record low turnout at the recent elections as well as the divisions inside the existing party groupings.

Focusing on the EU's ability for external action the panel proposed the following ways out of the current malaise:

- The Council and the Commission have to strengthen *coherence* of their external actions, which could be achieved within the remits of the exiting treaties. Greater synergy between development and security and defence policies is needed. The Commission should abandon its reluctance to co-finance ESDP missions and agendas serving the CFSP. The Council should share its expertise in foreign and security field more extensively with the Commission. An idea of secondment between the two institutions was proposed as a practical way to achieve this.
- Among the key reasons for the rejection of the constitution were the issues of legitimacy and ineffectivness. Yet, paradoxically the treaty was likely to improve the current situation by strengthening the principles of *subsidiary* and *reinforced cooperation*. These aspects of the treaty have to the returned to.
- Some members of the group proposed to return to the idea of *electing the President of the Commission*.
- The role of *national parliaments* and their connection with the EU issues needs to be strengthened.

4. Summary / Conclusion

The following three major points were established in the course of the debate:

- EU foreign policy should not suffer as a consequence of the current crisis and it should remain active. In order to strengthen its external position the EU should try to save what is feasible from the idea of establishing the post of foreign minister.
- Enlargement should continue (Bulgaria, Romania and the Western Balkans) but the EU should also consider alternatives to full membership as well as reinforcing the foreign policy dimension of the ENP.
- The Council and the Commission must cooperate more closely and achieve greater coherence of their external action.

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PROGRAMME

10:30-11:00 Arrival and registration of participants – welcome coffee

11:00-13:00 Introduction - Nicole GNESOTTO, EU ISS, Paris

EU Foreign Policy

Steven EVERTS, Secretariat General of the EU Council, Brussels

13:00-14:00 Lunch

14:00-15:30 Enlargement William WALLACE, London School of Economics and Political Science, London

> Institutional Implications Antonio MISSIROLI, European Policy Centre, Brussels

17:00 **Concluding remarks** - <u>Nicole GNESOTTO</u>, EU ISS, Paris

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