

COMMENT & ANALYSIS

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High stakes in Biarritz

Unless leaders address acute problems in detail at their meeting on Friday, tensions will continue to frustrate the creation of an enlarged Europe, says **Peter Norman**

These are heady days. Europe's leaders are daring to think strategically about the future of the European Union.

First, Joschka Fischer, the German foreign minister, then President Jacques Chirac of France and last week Tony Blair, the UK prime minister, have presented visions of Europe's future. For the moment, at least, politics is not only about winning votes and back-room deals.

With last week's overthrow of the Milosevic regime in Serbia, European leaders have also received a resounding pay-off from last year's bold but risky war in Kosovo.

This Friday France will bring them back to earth with a bump. On October 13th the current holder of the EU's rotating presidency plays host to the 15 heads of government and Romano Prodi, president of the European Commission. They will be cloistered in the gilded elegance of Biarritz casino to try to inject some urgency into the glacial negotiations on the institutional reforms the EU must undergo if it is to cope with enlargement to the east.

While they are in Biarritz, the leaders will discuss oil, the EU charter of fundamental rights and the Balkans and the Middle East. But if France has its way, the main burden of the meeting will be the Intergovernmental Conference on reforming the EU. If all goes to plan, Friday's meeting will pave the way for a successful conclusion to the IGC at a three-day summit in Nice, starting on December 7.

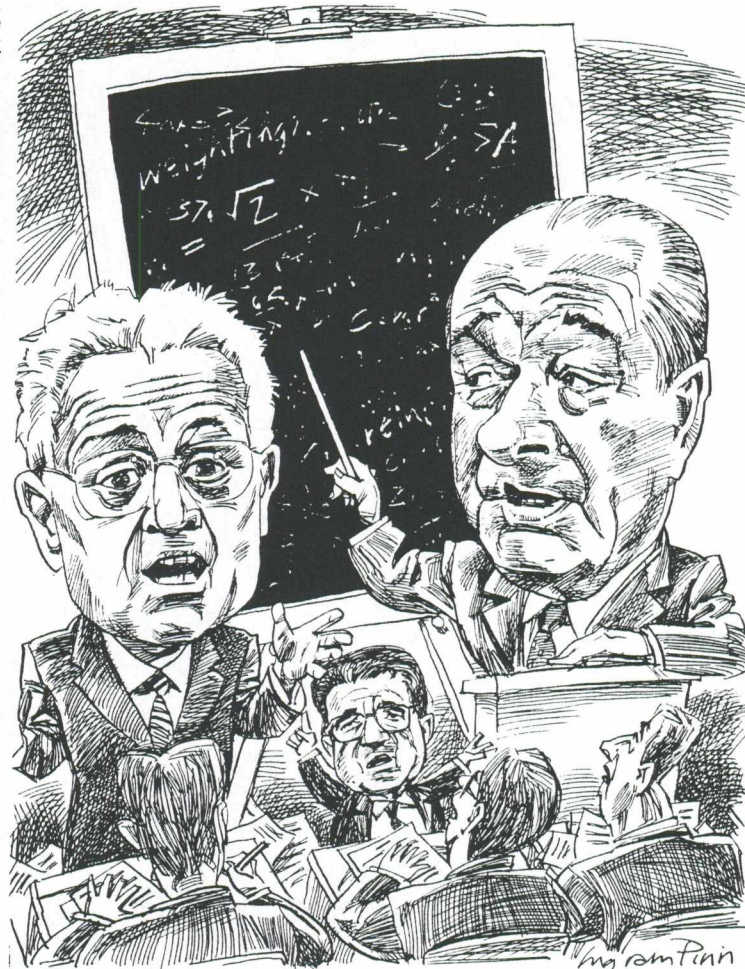
Its success is by no means a foregone conclusion. After eight months of negotiations, member states are still divided on the main issues. Veterans of previous IGCs say the talks are running depressingly true to form; the landmark Maastricht Treaty of 1992, which launched economic and monetary union, and the more recent 1997 Amsterdam Treaty were both ill-tempered cliff-hangers.

The negotiations upon the Nice Treaty are of special importance, because they directly affect more countries than the EU. The IGC has been billed as enabling the EU to absorb up to 12 new members, mainly former Communist countries in eastern and central Europe.

Any faltering in Biarritz will call into question the EU's pledge to be ready for enlargement by 2003. This would fracture its increasingly tense relations with the applicants and dent an already declining enthusiasm for membership in the candidate countries.

The details of the negotiations appear arcane when measured against the historic challenge of uniting eastern and western Europe and finally overcoming the divisions of the cold war. But the EU's leaders cannot avoid the nitty gritty in Biarritz and Nice.

France hopes Friday's meeting will start to raise the leaders' awareness of the room for man-



oeuvre so that when negotiations near the December deadline, they will be able find the compromises necessary to avoid defeat.

Three issues were left over from the Amsterdam negotiations: to make decision-making easier by extending qualified majority voting, the future size and structure of the Commission, and the weighting of member states' votes in the EU's decision-making council of ministers. Leaders added a fourth in June, when they agreed to consider "enhanced co-operation". This would make it easier for small groups of member states to forge ahead with integration in specific areas of policy. This too was discussed in the Amsterdam negotiations.

These four points are intended to enable the EU to make decisions with double its present membership. But they pose threats to established power structures among the member states. Agreement will only be possible after politically

difficult compromises.

Hopes are growing that agreement might be reached on QMV – or qualified majority voting – by December. There is a powerful logic in favour of more QMV. The difficulty of reaching unanimity is said to double with each new

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member. Without more QMV, an EU of 27 members would find it practically impossible to reach agreement.

France has identified 46 areas of EU policy making where unanimity could give way to QMV, and a further three provisions that could be scrapped. But while

all member states would like to see some changes in favour of QMV, none have agreed so far to give up the national veto on any specific article. The reluctance to give away negotiating positions at this stage of the talks means there will be frantic bargaining over QMV in Nice.

The strongest signal of progress has come from Pierre Moscovici, France's minister for Europe. Certain areas, such as taxation, social-security rules, justice and home affairs, and treaty change, seem certain to remain subject to unanimity. But Mr Moscovici says work on QMV is "beginning to bear fruit", while diplomats from other member states report an impressive degree of refinement of the issues in contention.

Enhanced co-operation is easier to imagine after Mr Blair's qualified acceptance of the idea in his Warsaw speech and Denmark's rejection of the euro. It is supported strongly by Germany, France and the Benelux coun-

tries. To meet British concerns and those of others, any eventual compromise would have to make clear that enhanced co-operation would not lead to an exclusive "hard core" of countries in the EU nor undermine the single market.

The arguments about the composition of the Commission and the weighting of votes are much more difficult to resolve, because national power and prestige are more directly involved. It has been accepted since Amsterdam that the EU's five biggest states – Germany, France, Britain, Italy and Spain – should give up their right to a second Commissioner, in return for a rejigging of votes in their favour.

But there is a stand-off between big and small states as to whether every member state should have a Commissioner. The 10 small EU members insist on one Commissioner for each member state even in an EU of up to 27 members. The bigger states, by contrast, insist on a limit to the number of commissioners in the interest of efficiency.

The weighting of votes is still more complex. Differences exist inside the big- and small-country groups, with Spain, for example, seeking parity with Italy, and the Netherlands hankering after a bigger say. Numerous formulae have been advanced. Sweden has even proposed a model that would give each member state votes "equal to double the square root of its population expressed in millions of inhabitants, rounded off to the nearest figure".

According to the Swedes, this square-root system is "completely transparent" and would have the advantage of never having to be changed. Its very complexity, however, should serve as a warning of how the negotiations could develop.

Despite the complexities, negotiators say they can see the outline of a final deal. It would involve some extension of QMV; the larger countries would give up one commissioner and offset this with an increase in their voting weights. The haggling will be about filling in "square brackets" – the details – in the final treaty text.

The problem at present, says Michel Barnier, the commissioner for institutional reform, is that: "Not all countries are working in a spirit of collective will. That is why Biarritz will be important."

If Mr Chirac can arrange for the summit to provide a much-needed jolt to Europe's leaders, Biarritz may help generate the political resolve needed for Nice to succeed.

There must be progress in Biarritz. Otherwise, the EU's leaders could find themselves heading for an acrimonious failure in December. That would throw the EU into new crisis, jeopardise its enlargement and shatter the dreams of Europe's future, proclaimed by Messrs Fischer, Chirac and Blair.