

Current Critical Issues of European Integration

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In this paper several critical issues in the European Union will be discussed. Such as the enlargement of the EU and Turkey. The second issue concerning the problem of European Constitution and its institutional reforms. The third issue is the EU's budget and the CAP, that is, the Common Agriculture Policy questions. And the last issue is about the EU's international role, that is, common Foreign and Security Policy and Defense Policy.

Key words: European Union(EU), European Integration, CFSP and ESDP, the UK and EU, EU and Turkey, NATO and EU

I. Introduction

In this paper I just intend to bring a general introduction to several critical issues that I regard as the most urgent for the European Union to deal with.

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I will focus on four areas of issues: the first one is about the EU's plan of next enlargement; the second one is the institutional reforms and the issue of the constitution; the third one is concerning the EU's international and defensive roles, mainly the CFSP; and the last one is concerning the identity problems and the Union's future.

II. The first issue - the enlargement of the European Union

(I) The Turkey problem

“Any European state may apply to become a member of the community.”¹ This generous wording in the Rome Treaty welcomes any state to apply for membership, yet it does not promise a guarantee for accession. The applicant state has to be a democracy with well-developed liberal market economy so that it can fulfill the obligations of a member state laid down in the Treaties. Usually the Commission would accept all the application without hesitation and embark on negotiations in a short preparatory stage. But when it comes to Turkey, it is just not the case.

There is no problem that Turkey is recognized as a European country - though 96% of its land is in Asia. Even so, in most Europeans' eyes, Turkey is such a state with enormous population – it has a population of over sixty-nine million, difficult economy and unstable political environment. It seems to most European people that they can not expect Turkey to contribute to the progress of the EU; instead it might even bring

¹ Article 237 of the Treaty of Rome.

a tremendous burden to the EU's shoulders both on its budget and on economy. Besides all the economical and political considerations, there exists some kind of ideological divergence between the EU countries and Turkey with Turkey's Islamic characteristic which makes Turkey even more distinct in the Christian Europe.

Among all the member states and applicant countries, Turkey is the only one that took such a long time to get itself on the waiting list. As early as in 1963 the EU had already built an association agreement with Turkey, but it was after 36 years that it granted Turkey as a formal candidate state for the EU's future enlargement – Turkey officially applied to join in the EU/EC in 1987. No other country has spent so much time on the process before the accession negotiation. Over the waiting years, Turkey kept being told to improve its economic and political conditions to meet the criteria. It did make considerable economic progress in the past years though there seemed to be some problems with human rights and attitudes towards minorities. However, in its Communication of October 2004 the European Commission finally claimed that Turkey 'sufficiently fulfils the Copenhagen political criteria' and thus recommended the EU to open accession negotiations with Turkey.

(II) The dilemma of EU

However, Turkey's application for joining the EU has put the EU in a dilemma. According to the latest survey by Eurobarometer, 52% of Europeans do not want Turkey to join the EU while there are reservations and even opposition to further enlargement in Germany (60%),

Luxembourg (60%) and Austria (58%)². Though Turkey has successfully got the EU's warm welcome, the date for accession -or even when to open the negotiation- is still uncertain. For the EU's part, when the French people turned down the European Constitutional Treaty in the referendum, some argued that the uncertainty of the Union's future was one of the reasons that attributed to the people's voting negative. It is not likely that the EU would grant another 'yes' for Turkey's immediate accession, and some observers even predict that there will be no way that Turkey joins the EU in ten to fifteen years. Here comes another question: would Turkey like to be the 33rd member of a EU32, though it once eagerly wished to be the 16th member of EU15?³

Despite the viewpoints of ordinary people in Europe about Turkey, Turkey's strategic position to the EU and the Atlantic Alliance is of great significance. In economical term, Turkey can be used as a bridge between the EU and the countries of the former Soviet Union, the Balkans, the Caucasus and the Central Asia. Actually, Turkey tried to build economy ties with these areas as a means to push the EU to grant its accession request.⁴ In geopolitical term, Turkey as an Islamic country has a nice relationships with the Islamic world in the Middle East. Its accession will help the EU improve its relation with the Middle East. Those considerations explain why the Commission never turns down Turkey's requests totally but keeps it waiting aside.

2 See <http://www.euractiv.com/Article?tcmmuri=tcm:29-142697-16&type=News> (visited 2005, July 19).

3 See <http://euobserver.com/7/20034> (visited 2005 July 10). "Turkey, Croatia, the Balkans and Plan 'D'", by Peter Sain ley Berry.

4 Leonard, Dick. *The definitive guide to all aspects of the EU*. 9th ed. (UK: the Economist Newspaper Ltd, 2005): 273.

(III) The question of Cyprus

Another question is about Cyprus, an EU member state that Turkey refuses to recognize. It sounds ridiculous when Turkey has to sit down on the negotiation table with Cyprus and discuss its accession, but still bans the ships and aircrafts from Cyprus at the same time.⁵ There is still another tough problem with the still divided Cyprus. The Republic of Cyprus, which controls the southern two-thirds of the island of Cyprus, has already joined the EU while the Turkish Cypriot, which controls the northern third of the island, is still outside. As international efforts continue to help the reunification of the north and south of this island, what should the EU do with the other part of this country that has already been member of the EU 'partly'?

(IV) The prevailing concerns in the EU

Moreover, there is increasing concerns about the future of the EU among its citizens. Most European people feel uneasy about the EU's lack of a clear-cut enlargement policy. Nobody can tell how large the EU will be at last, or what the EU will look like in the near future. It seems like the EU is a big sponge monster that keeps absorbing whoever knocks on the door without knowing what will become of the Union itself. Without a clear overall policy, the wider the Union expands the more cohesion it might lose. In my opinion, the EU needs a brake on enlargement, at least southward, before it gets all its existing member states together and works out solutions to enhance its internal cohesion and solve the other issues.

⁵ Peter Sain ley Berry, "Why we should delay opening accession negotiations with Turkey", 2005, September 30, CET, Euroobserver.

Rushing into negotiations recklessly will only endanger the Union, as there are cleavages over Turkey and other issues. There are objections against Turkey, and there are also objections against the EU's further enlargement. A lot of people are worried about bringing more and more poor states in the South rather than the rich EFTA countries into the Union. Even if they really get it started, it is just unlikely that Turkey could become part of the EU in the next ten or fifteen years. It is not a proper time to put Turkey's accession on the EU's enlargement agenda or, maybe we should say, to get engaged in another enlargement.

III. The second issue – the constitution failure and the EU's institutional reforms

(I) The failure in the battle of constitution

The EU/EC has undergone five enlargements since it came into being in 1958, but never has any of its enlargements accompanied with an institutional reform to cope with its new enlarged structures. To solve institutional problems and improve efficiency of the Council was the main impulse behind the constitution treaty. It sounded like the greatest triumph in the history of European integration when the draft treaty of the constitution for Europe was put on the agenda and was finally agreed by all the member states in the Council. The year 2005 would have been a remarkable year for the EU, had the constitution really been ratified by the referenda in France and in the Netherlands. There were signs of the French and Dutch voters' rejections before the referenda. It was said that the main reason for such negative results of the referenda in the two

countries was because of the “unpopularity of the governments in the 2 countries concerned.”⁶ A conclusion then was drawn from the results of the referenda that the EU had turned out to be driven by elites rather than by its people, and that the elites had gone too rashly on the constitution matters with the public opinions way far behind.⁷

(II) The lessons from the rejection of the French and the Dutch

Of course the prejudice against the governments can not fully explain the whole failure of the referenda. There are people who strongly object to – or at least, do not support – the idea of a constitution in other member states besides France and the Netherlands. Does the EU need a formal constitution while its founding Treaties have been confirmed by the European Courts as constitutional binding? How will a constitution help the EU improve its efficiency in decision-making as well as policy implementing, or increase its importance in international affairs as it was designed to? Commission and the leaders of the member states, especially those of the big member states, should examine these questions carefully from all aspects.

(III) The calls for institutional reforms

Unlike the French, the Dutch as well as the small member states have reasons to express their frustration. For one thing, they are fed up with the fact that the big states constantly manipulate the decision-making in

⁶ Dick Leonard, The definitive guide to all aspects of the EU, 9th ed. UK: The Economist Newspaper Ltd, 2005: 294.

⁷ Ibid. It is virtually true in the Netherlands with 62% voters voting no and 38% yes.

Brussels and there are also some concerns about the budget share. Furthermore, they are furious over the constitution's new voting rules which might put them in a much poorer or weaker position in the 25-member bloc. The Dutch's concern is just what overwhelms occupies the small states now. There are critics inside the EU on its institutions and the way it works – both from the decision-makers of member states and from ordinary Europeans. The issue of the constitution thus further indicates the need for a comprehensive institutional reform in the European Union. There are four debates in this respect:

i. Reforms on voting rules

The first thing the EU has to deal with is to redistribute the powers between its member states. It is never easy for such a huge entity like the EU to keep the balance of power between the big member states and small member states. The asymmetry of powers between big and small member states as a result of different voting weights has contributed to the big states' dominant status in the EU. Currently the decision-making in the Council is functioning through a weighted voting system. The distribution of votes is roughly based on differences in size of population of the member states. In this case, a state that possesses the most votes does not have to be the most influential one, and the poorest state has the opportunity to get the most votes according to the population-based rule. This rule explains why there is so much anxiety over the accession of Turkey, whose population is only second to Germany in the EU.

As the EU enlarged to fifteen, and then twenty-five, the big member states gradually sensed the changes of power distributions when their relative dominance in the decision-making was diluting with every

enlargement process. Therefore a redistribution of voting weights is welcomed among member states, in contrast to another idea, which is proposed by the big member states but is disliked by small member states, to build a leadership in the European Council.

ii. The election of a president of the European Council

It is probably the most controversial part of the constitution – to elect a President of the European Council. As the big member states support this idea believing that the efficiency of the Council could be improved and the EU's international standing would be promoted at the same time, the small member states, on the other hand, hold the suspicion that it is just another vehicle for the big member states to dominate EU policies.⁸ For better functioning of the European Council, the position of President will be vital. The President can play the role of promoter of EU policies and mediator between states of different standings in the Council, which would be beneficial to the EU's functioning. The President can also represent the EU on international occasions to show the twenty-five countries are a unity in world politics. Such a unity can enhance the EU's position in world power area.

iii. The democratic deficit

Another critical issue is the democratic deficit in the institutional system of EU. Strictly speaking, there has not been a real democratic institutional system in the EU ever since it came into being. The basic rule for a democratic political system is the mechanism of counterbalance between the executive organizations and the national parliament. The

⁸ Ibid.: 296.

executive organization has to be accountable to the parliament and citizens can choose a new government to replace the old one when they are not contented with the old one. The dilemma in the EU is that there is no accountable public authority that can steer the regulatory processes in the EU. (Weiler:1999, 349) And due to the fact that there is no form of “government” in the European Union, citizens can not supervise the governance of the EU the way they do domestically. In other words, European citizens can not influence the EU’s policies directly through the elections while it is even harder for them to learn what policies the EU is undertaking. This can explain why most Europeans are not interested in European Parliament elections. (Weiler:1999:349) On the other hand, as the power of the European Parliament without a checking mechanism is weaker than national parliament, executive power at the European level is relatively enhanced; thus popular forces are excluded from the process of policymaking and policy enforcement. (Caporaso: 2000:56)

Moreover, though there are a variety of parties at the European level, their sphere of influence is not spread Europe-wide and their candidates are usually confined within national or regional borders.

IV. The third issue—the budget reform and the CAP question

(I) The fairness of budget shares and allocations

The Commission had begun the budget reform since the early 1990s. The aid for rural communities was transferred from the Common Agriculture Policy (CAP) to regional funds so as to reduce the share of

agriculture expenditure in the EU budget.⁹

The core of the budget problem lies in the CAP guarantee expenditures and British's rebate. Agriculture expenditure has accounted for the most share of the EU budget, and France has been the biggest beneficiary. It always gets over 20% of EU's agriculture expenditure, but only contributes around 20% of the EU's revenue. Germany has been the biggest contributor to EU's revenue, after the reform of the 1990s, it still contributed 21.5% of the EU budget in 2004 while its share in agriculture expenditure was only 13.9%. As for Britain, it only contributed 11.3% of the EU's budget while it also got much less from the CAP, that is, 9.3%.

(II) The need to reform the CAP and adjust the structural funds

Apparently after the enlargement, the cost the CAP and the need for structural funds will increase and so do the disparity of budget share between member states. Britain is the only member state that has a privilege of getting a rebate from the EU. Although the British regards its contribution to the EU budget has been disproportionate as a result of the CAP, it is better for Britain and the EU to reform the CAP instead of an exceptive rule for Britain. The Commission's effort to adjust the structure of the EU budget revenue is a good example. The best structure of budget revenue should be able to pursue fairness reflecting national wealth among member states. That is why the GNP-based resource has increased a lot in the share of the revenue – from 20.9% in 1995 to 72.6% in 2004.

⁹ The share of the CAP still accounted for more than fifty per cent of the EU budget, while agriculture itself represented a mere two per cent of the EU's gross domestic product. (Pilkington: 2001, 43) However, after a decade's efforts, the agriculture expenditure had been reduced from 51.6% in 1995 to 43.5% in 2004.

The confrontation between Britain and France over the CAP problem and the EU budget also shows the need for the EU to re-examine its rules on budget and CAP policies.

It is clear that eastward enlargement will make regional disparities in the EU even worse. The Commission should also take its regional policies into account as it continues its effort on budget reforms. Budget reforms should be schemed comprehensively instead of focusing on several items limitedly.

(III) The agreement on the EU budget 2007-13

At the Summit of December 2005, the EU countries finally came to an agreement on the EU budget 2007-13. There were battles between France and Britain over Britain's rebate and the CAP question. Finally Britain agreed to give up €10.5 billion of its budget rebate and France promised a wide-ranging review of the budget 2008-9 by the Commission, which would probably hold big cuts in agricultural spending. The overall budget was set at €62.4 billion. However, France still has the chance to veto any changes in the CAP.

V. The fourth issue—the EU's international role.

Concerning international role of the EU, the main debate lies on the Common Foreign and Security Policy (CFSP) and its follow-up the European Security and Defense Policy (ESDP). The EU's endeavor to enhance its position in world politics has been obvious since the end of the Cold War. Unfortunately its performances in important crises were

proved to be disappointing. Though there is a strong Franco-German axis as the core of the CFSP, there are some hindrances to its development in this area.

The lack of an explicit enemy and common interests prevents the Europeans from 'speaking in one voice.' With twenty-five member states which have their own traditional cultures and strategic considerations it is clear that they thus form their defense and security policies on their own needs. Thus it is much harder for the EU to reach a common position in non-defense affairs, let alone in the CFSP. So far the CFSP is still an intergovernmental cooperation between the EU countries, so member states tend to emphasize their national interests at the expense of the EU's collective influence in international forums. It is true that the Europeans can not speak in one voice because there are too many voices within them. Without a common position and an official – and a sole one – representative of the EU's foreign policy, the EU finds it difficult to be a bigger player in world affairs.

The EU then launched an independent ESDP in 1999 with the aim to provide both military and civilian assets. A rapid reaction force was built after that, too. Even so, there is no real 'European army'. The truth is that the Europeans do not have the collective will in foreign policies, and Europe still highly relies on NATO and the support of the United States militarily. Member states continue to regard defense as their national prerogative and most of the forces are still trained and organized around the respective homelands. Even the rapid reaction force is under the member state's control. (Coporaso: 2000:129)

Now that the Europeans realize that NATO is still and will probably

continue to be the center of European security architecture, they have to deal with their role very carefully in case that they might irritate their uncertain friend Russia. The Europeans have worked on forming a European identity inside NATO which seems to be the only way the EU can choose to enhance its military role – it can play such a role only when the US and NATO are unwilling to get involved. The role Russia will play in the future is not certain to most Europeans, it is better to avoid any trouble with Russia. Therefore, the EU can not go too far on its military role which might mislead Russia to see the EU as a threat instead of a partner in security affairs.

When the EU finally decides its military role, what about the neutral member states? Neutrality is a big problem with those neutral governments who have to face people in their own countries. The EU has to figure out a solution for those governments to retain domestic supports.

The last thing is the command system of the CFSP or ESDP. The current structures of decision-making and command system of the CFSP are too inefficient. While policies have to be made between an intergovernmental procedures, that is, to be made on consensus, and there are the High Representative in the Council of Ministers together various portfolios within the Commission. Their responsibilities are not clearly regulated. The lack of a truly leadership in the command system is a big disadvantage.

VI. Conclusion

Here again, my conclusion may be seen as another issue for the EU. No matter what problems the EU is facing, there is always the question in

the core: “What kind of union is the European Union going to become?” There are arguments on the deepening and widening of the EU, on developing a military EU or retaining a civilian role, on emphasizing national interests more than or less than the EU’s collective interests, and on difference between the federal Europe and Constitutional Europe. In my opinion, the EU needs to decide its bottom line of widening and the degree of deepening, at least for the next two decades. We have seen a successful common market already, but whether the European Union of twenty-five or even larger will be as successful or not is still uncertain.

The European Union / Community did not go travel in the water out of ideology. It did not deepen to fulfill the goal of federalism but to adjust to practical needs. That helps draw another conclusion: the EU needs to create more common interests among the member states so that the political wills for integration will last long. With so many new comers whose economic development are far poorer, the EU should let the new comers understand all the resource and information the EU can offer them so that they can be assisted fully by the EU and catch up with other richer member states in the shortest time. This is very import because the economic disparity or the north-south disparity inside the EU might cause more divergences on policies and result in crisis.

Also the EU must try its best to enhance a European identity in every policy. That is why the constitution was created: the promoters believe a European constitution can arouse more sentiment toward the big European family. On the other hand, if the member states insist on having their only ways in the EU, I do not see any reason why they chose to join the EU. If they hope to exert their national influence through the

collective power of the EU in the world stage, then they should pool their sovereignty and policymaking at a higher, or maybe the highest, European level. If the EU continues to evolve larger, only a supranational structure can support its well-functioning. The constitution may help to build more sentiment for Europe, but the prerequisite is that the constitution has to be acceptable and understandable in contents, which the existing draft one seems to lack. Besides, a European Constitution should be designed to endure any change in the future. Is the current draft constitution ready? Or maybe we should also ask, are the Europeans ready for that?

Allocations of voting weights in the Council

	EU 15	EU 15 %	EU 25	EU 25 %
France	10	11.5 %	29	9 %
Germany	10	11.5 %	29	9 %
Italy	10	11.5 %	29	9 %
UK	10	11.5 %	29	9 %
*Poland			27	8.4 %
Spain	8	9.1 %	27	8.4 %
Netherlands	5	5.7 %	13	4 %
Greece	5	5.7 %	12	3.7 %
Belgium	5	5.7 %	12	3.7 %

*Czech			12	3.7 %
*Hungary			12	3.7 %
Portugal	5	5.7 %	12	3.7 %
Austria	4	4.9 %	10	3.1 %
Sweden	4	4.9 %	10	3.1 %
Denmark	3	3.4 %	7	2.2 %
Finland	3	3.4 %	7	2.2 %
Ireland	3	3.4 %	7	2.2 %
*Lithuania			7	2.2 %
*Slovakia			7	2.2 %
*Cyprus			4	1.2 %
	EU 15	EU 15 %	EU 25	EU 25 %
*Estonia			4	1.2 %
*Latvia			4	1.2 %
Luxembourg	2	2.2 %	4	1.2 %
*Slovenia			4	1.2 %
*Malta			3	0.9 %
Total	87	100 %	321	100 %

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