The Why and How of EU Enlargement

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Abstract

Why are the present member states of the EU considering a further enlargement of the Union, a process that is likely to be complicated, highly controversial and financially costly to them? This paper attempts to answer this apparently innocuous question by considering the Why and How of EU enlargement. The paper provides three clusters of reasons why enlargement is being considered, related to economics, security, and identity. It examines how the EU might go about enlargement by considering the implications of and possible obstacles to enlargement that will need to be overcome. It outlines a taxonomy of the implications of enlargement by the size of country admitted, the number of countries, their geographic location and their relative wealth. The conclusion provides a series of enlargement scenarios.

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I. Introduction

The European Union is considering the question of a further enlargement in its membership in the near future. This paper investigates some of the issues at stake in what will be the Fifth Enlargement of the EU. The paper poses a simple question and seeks to answer it: why are the present member states of the EU embarking on a process (i.e., enlargement) that is likely to be complicated, highly controversial and financially costly to them?

This is an apparently banal question, and yet with it come a host of assumptions that too often go unnoticed.[1] The paper attempts to answer the question by considering the Why and How questions of EU enlargement.[2] The paper provides three clusters of reasons why enlargement is being considered, related to economics, security, and identity. The paper briefly notes the technical requirements of enlargement, what I call the "procedural How." It then turns attention to the "substantive How," by considering the implications of and possible obstacles to enlargement that will need to be overcome. Given past experiences and the modest advances made at the EU's Amsterdam Summit, there seems to be a limit to the EU's flexibility in the face of enlargements that change the character of the Union. Yet, present circumstances suggest that the EU has reached a threshold and that the sheer number of applicants this time will render the usual procedure for enlargement problematic. I outline a taxonomy of the implications of enlargement by the size of country admitted, the number of countries, their geographic location and their relative wealth. The paper concludes with a series of scenarios for how the EU might go about enlargement this time.

Enlargement might be stymied or stalled by any number of factors; in particular, the difficulties of agreeing what to do about Monetary Union as well as other controversial issues led to a rather disappointing conclusion to the EU Inter-Governmental Conference. The small changes and deferral of many difficult problems will influence the speed and nature of future accession negotiations. Furthermore, in so far as enlargement is a political process, it will be manifested as such -- that is, at a speed and in a way that is determined by political factors. For reasons set out below, despite the manifest and manifold obstacles to rapid enlargement, there are good political reasons to go ahead sooner rather than later, if for no other reason than that delay of several years is unlikely to make enlargement easier and might even make it more difficult and precarious. The argument will become clearer in the concluding section where the possible scenarios for EU enlargement are considered.

The paper addresses the following questions:

- Why is the EU planning to enlarge its membership within the next decade?
- How has the EU usually gone about the process of enlargement in the past?
- What are the implications of the next enlargement?
- What are some of the possible scenarios for the EU's Fifth Enlargement?

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[1] For a similar type of question regarding Economic and Monetary Union, see Joseph M. Grieco, "The Maastricht Treaty, Economic and Monetary Union and the Neo-Ralist Research Programme," *Review of International Studies*, 21, 1, January 1995, p. 23.

[2] The echo to the "Study on NATO Enlargement" (September 1995) is quite deliberate, though this paper does not follow the same format. There is a burgeoning literature on enlargement of both NATO and the EU. However, the former is primarily considered in the context of security and the latter in terms of its economic and institutional ramifications. Furthermore, these two literatures have not overlapped to any great extent. See, for example, the otherwise superb analysis in Anna Michalski and Helen Wallace, *The European Community: The Challenge of Enlargement*, Royal Institute of International Affairs, 1992. And compare that analysis with Zbigniew Brzezinski, "A Plan for Europe," *Foreign Affairs*, January-February 1995; Ronald D. Asmus, Richard L. Kugler and F. Stephen Larrabee, "NATO Expansion: The Next Steps"; and Michael E. Brown, "The Flawed Logic of NATO Expansion," *Survival*, 37, 1, Spring 1995.

II. Why Is the EU Enlarging Again?

This might strike some as a rather trite question, but it is a question that needs to be considered carefully if the EU is not to be challenged by skeptics asking "Why expand the EU at all?" It is also a question that has particularly concerned NATO lately (Albert Legault and Allen Sens, 1997; Asmus, Kugler and Larrabee, 1996), as well as being a feature of a number of Western-dominated international and regional organizations since the Cold War.[3] The most common and common sense answer covers most of the important points, viz., that the EU is a successful and powerful international organization, especially in economic terms. It is thus a magnet for applicants, especially among its neighbours who trade with the EU to such a great degree. Yet, this only gives the demand side of the equation, so to speak. We need to consider what the EU and its member states think they have to gain from enlargement. The EU has in the past expanded for other than simply the economic reasons that are highlighted in this common sense view. In fact, the EU's rationales for (continuing) enlargement can be divided into three categories: economics, security, and identity. I consider each of these below in general terms as rationales that the member states and the EU might have for the next enlargement.

Economic Reasons

One of the main reasons for enlargement, from the EU's viewpoint, is to widen the European market and thus increase the prosperity of the member states. There are two dimensions to this. First, in the short run, adding new markets will stimulate economic growth in the EU and also in the new member states. Second, with economies of scale, there will be longer term gains from increasing the size of the European market, that is, the argument parallels the one made in the famous Cecchini Report that justified the EC's 1992 initiative. (Paolo Cecchini, *The European Challenge 1992: The Benefits of a Single Market*, Brookfield, VT: Wildwood House, 1988) The difficulty with this is that, while the EU's aggregate GDP is greater, the relatively poor countries with undeveloped markets entering the EU reduce its average GNP per capita (at least in the short run) and structural change in the new markets makes for economic benefits only in the very long run.

Enlargement is also viewed as a way that the EU can increase its impact internationally. The external reality of the EU as an economic unit is that it is already a huge player in world trade. Enlargement will increase the profile and clout of the EU as an international economic actor, if only by virtue of its sheer size and proportion of world trade. Related to this is the defensive motive, including new countries being seen as a response to the development of other regional economic blocs (that were themselves in some respects a response to the EC, ironically), such as NAFTA and APEC.

Finally, there is the ticklish issue of labour movement, the oft-forgotten fourth freedom (the other three being capital, goods and services). Enlargement might be expected to at least marginally affect labour migration.[4] It might be argued that the boost for the economies of the new entrants would help to keep potential labour migrants in their own countries. Smith and Wallace, for instance, also point out that while economic backwardness and dislocation might be something of an inducement for migration, political instability is a much greater determinant. Thus enlargement is a way of stabilizing the new members' economies and keeping the working population in place. (Smith and Wallace, 1994, p.440)

Alternatively, as the dependency model of the EU's economic relations with its neighbours and/or most of its trading partners would have it, the EU relies on the exclusion of low wage labour, both as a way of maintaining expensive social services and as a means gaining the benefits of trade based on that labour, and the division between insiders and outsiders to the Union is thus much more important.

The discussion of economic rationales suggests that the effect of enlargement in general cannot be specified. Indeed, economic models regarding enlargement will be either indeterminate -- with

[3] For example, the Council of Europe, the OECD, and the WTO.

[4] For the exclusion of labour mobility from the Europe Agreements, see Lavigne, 1996, p.6.

tendencies and counter-tendencies cancelling each other out in some cases and being primary in others -- or controversial, that is, subject to challenge in terms of the model deployed or the ideological assumptions made.

Security

A second cluster of reasons for enlargement relate to security. Enlargement of the EU has been presented as a means to project stability and enhance security, and this is arguably an even more significant feature of the next enlargement than previous episodes. Skeptics might wonder about such high-sounding notions as projecting stability, but the EU has had experience in this area with its Second and Third Enlargements to Greece and to Spain and Portugal, respectively. Firstly, in general terms, the idea is that the EU provides a measure of stability through sharing common rules and decision-making practices that democratizing/liberalizing states find useful. The new members will mirror the EU member states' commitment to democracy and to liberal market policies, institutions and rules. Secondly and more specifically, joining the EU sets out a template for economic development. (Kolankiewicz, 1994, p.481-483) Adapting to the *acquis communautaire* is not always easy but it does at least demonstrate a route to economic governance of a market/mixed economy. This offers predictability and a sense that there are ground rules for what is admittedly a challenging and unique period of transition for previously authoritarian states. With the transition accomplished, the EU provides a model for the institutions of a market economy. Economic development itself, it is frequently argued, is related to political stability internally and, rather more controversially, externally. This economic development can be facilitated through aid and assistance. Thus, thirdly, the EU offers financial assistance through structural and cohesion funds in order to facilitate economic growth to a level approximating 75% of the EU's average GNP per capita. Such assistance is likely to be more stable and tailored to the new member state's requirements than aid under such programs as PHARE. Fourthly, the recognition and acceptance that goes with becoming a member of the EU is an important signal to those states that have recently turned away from authoritarian regimes that their efforts are noticed and appreciated. Furthermore, norms and rules are not the only contribution to security that the EU makes. There is something special about having a seat at the table of the EU Council of Ministers or the European Council as an equal among the other Western European states. Fifthly, security is provided through dialogue on security issues in the framework of the Common Foreign and Security Policy. (Kux, 1996, pp.7-10)[5] EU membership will in addition enhance the security ties in the Western European Union, the defence arm of the EU, and possibly improve the prospects of entry into NATO.[6]

Mention of NATO raises one last, and rather different, reason for enlargement in the security arena. The enlargement of NATO is having a demonstration effect on the parallel discussion in the EU. This is partly the instrumental issue of making sure that the configuration of European institutions best provides security in Europe. ("Study on NATO Enlargement," 1995, pp.3,7-8; Asmus, Kugler and Larrabee, 1995; *c.f.* Bailes, 1996, p.61)[7] However, it is even more about who leads the charge in the re-unification of the continent, NATO or the EU, and by implication, the US and Atlanticist-oriented Europeans or the Europeans themselves.

These elements, in the main, focus on the increased security for the new members, however, rather than discussing the security of present EU member states. While there is concern for the potential new members' security, present member states also look to enlargement as a means of guaranteeing their own security, rather than as a good in itself. The calculus with regard to the former is relatively simple.

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[5] While many of the applicants have a "structured dialogue" with the EU, including CFSP, the Netherlands Ministry of Foreign Affairs described this as "no more than a succession of monologues " See its *Netherlands Presidency of the European Union 1997*.

[6] For a related suggestion, see the presentation by Senator Nunn, 1995, p. 8.

[7] For an interesting discussion of the economic benefits of NATO enlargement see the speech by Lawrence Summers, 1997.

Improvements in the security of the EU's immediate neighbours particularly, and more generally in the European security environment and also the global security equation, are regarded as key routes to guaranteeing the security of the EU and its member states.[8] A considerable part of the security equation for Western Europe is a fear that failure to enlarge will abandon the rest of Europe to an unpredictable and possibly violent fate. Enlargement is taken to be a way of avoiding this dark future for Europe, what one might call the Balkans Scenario.[9]

Whether the EU can be an effective provider of security for its members is still debated, however. As Stephan Kux observes, "[t]here is a paradox that the candidates seek integration into the EU security structures, while it is security that the EU cannot deliver at the moment." (Kux, 1996, p.4) The tricky issue with expansion is whether the shifting of the boundaries of membership does indeed enhance the level of security in general. Improving the security situation of some countries can come at the cost of imposing another arbitrary dividing line in Europe -- the difficulty that has bedeviled discussions of NATO enlargement.(*C.f.*, Study on Enlargement, 1995, p.8)

Identity

While there are many persuasive reasons for enlargement in terms of EU security and its economy, the primary rationale for enlargement is neither economic nor security-related. Indeed, it is arguable whether there would be any enlargement at all if economics and security were the only reasons being put forward. At the most fundamental level, enlargement is about and is integral to the EU's identity.

It is not too much to say that the EU considers itself to have a European mission, that is to say, it regards itself as a European institution with its natural limits only being at the borders of Europe, wherever that may be. The definition of what is Europe and what is European can appear rather arcane. However, the issue is deadly serious in terms of enlargement because it figures centrally in the Accession clause of the Maastricht Treaty (and the Rome Treaty before it). Article 0 of the Treaty on European Union states that "[a]ny European state" may apply for membership. Furthermore, according to then British Foreign Secretary, Malcolm Rifkind, "[we] cannot truly call ourselves a European Union if we restrict our membership to the countries of western Europe.... There is a moral obligation ... of saying that if the European ideal is a legitimate and genuine one, then it must be available to all the democracies of Europe who meet the relevant criteria and who aspire to share in the growth of the European Union." (Speech to the European Policy Forum, May 1, 1996) *The Economist* ("Europe's Mid-Life Crisis," p.13) suggests, for instance, that "Prague and Cracow are just as European as Paris and Cambridge," implying that this fact makes the Czech Republic and Poland obvious candidates for admission to the EU. The sense of Europeanness comes in many different forms, from the vague notion of Christendom to the rhetoric and aspirations of the 1940s. Just as the Cold War was dividing Europe, the European Movement was on the rise. The Pan-Europeanism expressed, for instance, by Churchill in this period specifically located the Central European countries within Europe. (Indeed, this was the key message of Churchill's famous Iron Curtain speech.)

Because of this self-image, the EU has had problems definitively saying no to states that could reasonably claim to be European, and even to some that could not. While the EU has put Turkey in a holding pattern regarding prospective membership and completely dismissed an application from Morocco, it has not refused other applications which were arguably as dubious. The classic case here is Greece. (Smith and Wallace, 1994, p.431) In 1994, the European Commission said, "[t]he European Union and the candidate members are natural partners. First of all, they are neighbours. They share a common heritage in terms of history and tradition. They also have a common commitment to pluralist

[8] Kux, 1996, and Brown, 1996, both argue that the EU can contribute political and economic elements of security for their members and new members, while NATO is entrusted with military security and in particular any resurgence of a threat from Russia.

[9] The author wishes to thank Bill Chandler for this useful suggestion.

democracy and a market economy." (European Commission, 1994, p.4) In so far as the idea of a truly *European* Union is compelling, the present member-states of the EU will not wish to say definitively "no" to any application from a "European" state. Indeed, it might be truer to say that the EU is unable to say "no" in such circumstances but instead says "later." This generates a dynamic where enlargement remains and will continue to be on the agenda of the EU until all European states are members (and possibly beyond that point). The Europeanness of the EU, sometimes described as a rationale for closure (e.g., as Fortress Europe), is in this context the basis for openness.

A different reason for enlargement involves the rhetoric of openness promulgated by the EU, especially during the Cold War, which has reinforced the EU's openness. The de facto limits of Europe to the West, South and North have always been tolerably clear as they are physical geographic boundaries. The division of Europe during the Cold War settled the question as to the Eastern boundary of the EU, if somewhat more controversially. The rather generous vision of the EU as aspiring to European completeness -- a sort of European manifest destiny, if you will -- was part of a broader Western Cold War bluff. This bluff was that the East was closed but the West was open. While this might have been approximated with regards to rights to leave a country, Western openness to refugees and to asylum seekers was more of a useful propaganda tool than genuine policy. In practice, immigration and citizenship policies have always been relatively exclusive in Europe, with the politically expedient exception of those seeking political asylum from Communist countries. In the last decade, geopolitics has reshaped the enlargement discussion by opening up the previously closed East. Now the rhetoric of openness has come to haunt the EU member states as they face the prospect of economic migrants from the new democracies in their midst. The bluff was called as the Central and Eastern European countries took up the rhetoric of openness and enthusiastically pressed their desire to "rejoin" the West.

A third reason regarding EU identity relates to political influence, some might say aggrandizement. Since its origins in 1951, the EU has grown in size and strength, from a collection of European countries on the road to recovery after the Second World War and as much desirous to avoid conflict between themselves as they were to build a regional bloc, to a significant player in international trade and finance. As well as the economic reasons for continuing this process, there are the external political implications of this increase in size and weight, viz. the EU and the member states collectively as an international political personality. The EU as an organization is looking for more influence internationally -- this was at least some of the intent behind the development of the Second Pillar of the Union, the CFSP. Further enlargement is sometimes viewed as a way to become an even bigger influence on the world stage.

A fourth reason for EU enlargement relates to integration. Though it is rarely mentioned as such in scholarly studies on the subject, enlargement is a form of integration. In practice, the significance of enlargement as a form of integration is heightened when integration as traditionally understood is stalled or compromised, as it has appeared since the post-Maastricht debacle. With the various realms of Community activity/competence being circumscribed or even reduced, that is, with the member states moving the EU towards more intergovernmentalism, enlargement is viewed as a way of keeping the integration ball rolling, so to speak. Continued integration through enlargement serves the interests of Brussels because it gives them more work to do, while it serves the interests of (some of) the member states by enhancing the role of governments over the Community institutions. By enlarging, the integration process is kept on the rails. In terms of its relationship to the broader European project of integration, the next enlargement will not be unlike previous enlargements during the period of Euro-sclerosis, or the development of European Political Cooperation and the European Monetary System at the same time in the 1970s and early 1980s, all of which were alternatives to more classically integrationist steps forward.

The final reason for enlargement relates to the various member states' conceptions of integration. Though it would be overly cynical to suggest that member states simply approve enlargement on the basis of political alliance or other ties including historical allegiances, it is hardly surprising that the national interests of the member states regarding the enlargement of the EU differ. Broadly speaking, there seem

to be two blocs within the EU with three different attitudes to enlargement. The Southern bloc -- France, Spain, Portugal and Greece -- are in principle opposed to enlargement if it appears to weaken integration between the current member states and particularly if it compromises the (level of) support they have been receiving from Brussels. By contrast, the Northern bloc supports enlargement, but there are two distinctly different reasons for the enthusiasm. The differences revolve around the presumed character of the EU after enlargement; neither is hoping for the status quo as are the Southern bloc, but the hoped-for changes in the nature of the EU are different. (Kux, 1996, p.5)

On the one side is Germany. The Germans want enlargement and further integration towards a more federal Europe. The collapse of the Eastern boundary of the EU affected Germany the most of all the EU member states because of its location and because of the process of reunification that followed on quite rapidly. Germany's status as geopolitically, economically, demographically and metaphorically at the centre of Europe is not reflected well in the regional institutional configuration in Europe. In the EU (and in NATO as well), Germany remains anomalously at the Eastern border. The consequences are fairly evident: Germany has had to cope with a large influx of refugees from the war in the former Yugoslavia and already had difficulties coping with the issue of economic migrants. For practical policy reasons, where economic, security and identity factors are all rolled in together, Germany would favour Eastward enlargement. Germany expects that enlargement will mean the full extension of rights and responsibilities of EU membership to the new states, if not immediately then in the medium term, and wishes to avoid dilution of the present powers of the EU. Germany's view (one might say, the Kohl vision) of enlargement of the EU is a bigger EU with a more federal structure. There will need to be changes in institutional arrangements to facilitate effective and efficient decision-making, and therefore Germany's view of the identity of the EU in the context of enlargement is far from being a status quo vision. Germany's view is shared to a certain extent by its neighbours who appreciate the importance of securing a European Germany as a way of avoiding a German-dominated Europe. German power and location make its supremacy and influence over the relatively small neighbours to its East and South all but inevitable. Enlargement of the EU is a way of harnessing German dominance to the European project and of diversifying the economic and political relationships of Germany's neighbours.

The other attitude to enlargement in the Northern bloc is exemplified by Denmark and the United Kingdom. These states see enlargement as a way of avoiding, delaying or reversing the federalizing trend that Germany lauds. By "widening" the EU, it is hoped that it will devolve more business to the member states while retaining the simple functions of policing an open, free market in Europe, rather than pursuing greater "deepening" (increased policy integration in issue areas and into current areas of EC jurisdiction) at the expense of efficiency and democracy in Europe.

This last set of reasons for enlargement suggests not only that EU identity is at the crux of the enlargement issue but that it is highly controversial and contested. Furthermore, enlargement is not only conditioned by understandings of identity, but enlargement itself shapes identity. Member states know this but, in any event, the arguments for enlargement appear to have prevailed. Though a wider enlargement is not strictly on the EU agenda as yet, it is agreed that Cyprus and Malta can begin accession negotiations six months after the end of the IGC. When one considers the proportion of the EU's existence during which enlargement has been an issue and the proportion when it has not, the readiness to enlarge once more is hardly surprising. With the exception of the first few years of its existence, enlargement has been perpetually part of the EU.

Growth in membership of the EU seems, then, to be at the very core of its identity. Yet this general point conceals an important tension that is highlighted in the different member states' perspectives. European identity means that the EU is open to enlargement. The only issue in this regard is where the limit to that growth occurs. In principle, given the importance of European identity in enlargement, the answer seems to be at the borders of Europe, wherever they are. But enlargement changes the identity of the EU in a more specific sense. EU15 is not the same as EC6 even if the institutional arrangements and decision-making procedures are technically similar or simply extrapolations. On enlargement, the new members views are added into the mix and previous enlargements have taken the EU in new directions, such as towards a Baltics policy, in the case of the

Fourth Enlargement. New members have not always been keen to see further integration, such as was the case with the UK. (Granell, 1995, p.137; Kux, 1996, p.13; Smith and Wallace, 1994, p.430) Such change has political implications, of course, yet so far in its history enlargement has been dealt by the EU as a strictly technical issue. This indicates an even more serious problem for some: the EU has no strategy or vision for Europe; it is simply engaged in blind aggrandizement that may in fact jeopardize the European project constructed thus far. (Smith and Wallace, 1994, p.429; Miles and Redmond, 1996)

III. How Has the EU Expanded in the Past?

If the EU is set to enlarge, clearly, the question that follows is, how will it go about doing so? In considering this question we need to reflect on past experience and examine its relevance for the next enlargement. It will become clear below that the technical elements that make up the procedure associated with enlargement in the past are only a small part of the difficult process that enlargement will be. Indeed, prior to this process there is a long "pre-accession" period when more general Reports are issued by the Commission for the Council and during which the candidates position themselves practically and rhetorically for admission. If the EU follows the same procedure for the next enlargement as it has done in the past, the technical aspects are relatively straightforward and are set out in the Maastricht Treaty. However, the incremental addition of new members will generate a series of implications that are explored in the next section.

After receiving an application, the Council of Ministers of the EU requests a Commission Opinion on the candidate as a prospective member. The Opinion details the preparedness of the applicant country and the implications for the EU of incorporating this country. The Council has usually followed the advice in the Commission's Opinion, though strictly speaking it is not compelled to. Once there is a decision to negotiate accession with an applicant state, the negotiations are conducted between the member states in the Council and the applicant, effectively in the form of an inter-governmental conference, with the Commission providing support. When negotiations are completed and an Accession Agreement drafted, this has to be ratified by each member state and by the applicant state. Finally, under the Maastricht Treaty, the European Parliament must assent to the accession of new members of the EU. Once the whole process is complete, the new state has usually joined on January 1 of the following year.

If we move from this "procedural How" to the more substantive issues underlying the question 'How has the EU gone about expanding?', we find patterns to previous enlargements that constitute, according to Christopher Preston, the 'Classical Method' of EU enlargement. (Preston, 1995, pp.452-455) Preston outlines five features of the Classical Method:

- Applicants accept the *acquis communautaire* in full. No permanent opt-outs are available. Furthermore, I would add, it is expected that the applicants will fulfill a set of criteria related to democratic norms and the regulations of a market economy as part of their consistent and well established relationship with the EU; of late this has often taken the form of an Association Agreement.
- Formal accession negotiations focus solely on the practicalities of the applicants taking on the *acquis*.
- Problems created by increasing the economic diversity of an enlarged Community are addressed by the creation of new policy instruments overlaid on existing ones rather than by fundamental reform of the inadequacies of the latter.
- New members are integrated into the Community's institutional structure on the basis of limited incremental adaptation, facilitated by the promise of a more fundamental review after enlargement.
- The Community prefers to negotiate with groups of states that already have close relations with each other. And I would add that they already have close relations with the Community and its member states. Additionally, the applicants, though they are brought into accession negotiations

at the same time, negotiate in parallel rather than together; that is, they are considered individually and negotiate bilaterally with the EU, despite the fact that they are admitted in groups. This maximizes the bargaining power of the EU and minimizes the complexity and time expended by the EU in negotiations.

The essential premise of the Classical Method is that the EU does not change and the candidate/applicant makes the necessary adjustments to be admitted. It is a method that has the status quo of the EU at its centre and as its key rationale. It might even be considered rather condescending, except that the applicants have been and continue to be the demandeurs and the EU is in a position of strength.

Ironically, in the process of negotiating enlargement in the past, some of the hardest bargaining has been among the current member states as they prepare their common negotiating position. This is because enlargement has often resulted in redistribution of benefits and costs between the current members.

IV. What Are the Implications of a Fifth Enlargement?

It has been argued for some time that enlargements cannot keep happening without some sort of major changes in the EU's institutions and decision-making procedures. Previous enlargements have transformed the EU from a membership of 6 to a membership of 15 states. The growth is more than simply a quantitative difference -- enlargement as well as economic dynamism has transformed the EU, both in terms of its external identity and the implications of membership for each member state. (Cameron, 1995) Yet further enlargement, some say, will stretch decision-making procedures beyond their workable limit. In 1994, the European Commission argued that 'it is clear that a Union of 20 or more cannot be run on the same lines as a Community of 12.' (European Commission, *The Enlargement of the European Union*, 1994, p.10) The reason it is clear to the Commission is that enlargement is expected to have a considerable impact on the substance of EU policies and on decision-making procedures.

The implications of enlargement are impossible to quantify and even difficult to assess in general terms unless we know which states will be the next entrants into the Union. (Lavigne, 1996, p.10) An enlargement of Cyprus and Malta alone is a very different prospect than one that includes four or more Central and Eastern European states. I will not engage here in a consideration of each of the candidates as it is beyond the scope of the paper. Instead, it is more useful to consider a typology of effects that are a consequence of the different characteristics of the possible entrants. The characteristics of the entrants that need to be considered are: wealth, size (demographic and geographic), location (geographic and cultural), and number. None of these factors operates in isolation, of course, but they have discernibly different effects. Two other factors complicating the impact of these factors are the sequence in which and the time at which enlargement takes place and the internal wrangling over redistributive issues by current members. The effects of these factors relate to budget, policy areas, and decision- making.

Wealth

The wealthier an entrant, the easier is the issue for the current member states, since the new member could (at one extreme) be a net contributor to the EU budget. The effects that result from the relative wealth of the entrant are, for obvious reasons, primarily budget related. Unfortunately for the EU, unlike the previous enlargement, there is little prospect that the next enlargement will raise the average GNP of the EU. Generally, the applicants are poor to very poor, and can thus be expected to be in various ways a drain on the EU budget, whatever overall impact the enlargement itself will have on economic

activity in the EU economies as a whole.[10] As the last enlargement demonstrated only too well, even relatively wealthy entrants seek special assistance for their (in the EU context) relatively prosperous poorer regions and thus make claims on the EU budget.

Number

The number of countries in any enlargement is an important issue. This round is potentially unprecedentedly large. Historically, enlargements have bunched three or four states that have ties to each other and to the EU (Association Agreements, etc.). The waiting list is at ten right now; states that can be broadly grouped into Southern, Central and Eastern European. The problem of numbers is when it gets to be large. Small numbers incrementally over a period of years would make for constant adjustment of the EU and is a rationale for taking countries in groups rather than one at a time. However, larger numbers makes the process cumbersome and, more significantly, has the potential to create large problems in decision-making arrangements and the operation of the EU's institutions. When the Commission worries about the impact of a larger EU, they highlight the implications of having 20 or 25 member states in an institutional and decision-making context that was essentially designed for six in 1951. In combination with diverse and peripheral locations of the new member states, large numbers can create problems reaching consensus or can create new voting blocs and blocking minorities. A larger number might arguably shift the EU even more towards intergovernmentalism unless there is some form of institutional reform. Such intergovernmentalism would result in paralysis according to the Commission. In combination with a few states that are large, a large number of new member states is likely to stress the EU budget as well.

The Commission is already, at 20 members, too large and the Santer Commission had trouble finding enough portfolios to go around. The rule that each state has one Commissioner with the large states getting two may well will change, according to the treaty agreed at Amsterdam: the Commission will remain at 20, with the larger states apparently giving up their second Commissioner as enlargement takes place. Problems of size also afflict the Court of Justice and the European Parliament, although in the latter case especially the institution is already so large as to be unwieldy and a few extra members are unlikely to make too much difference.

The number of member states in the Council of Ministers is also an issue. For those issue areas where unanimity is required, the concern is that the EU will be paralyzed by the veto of individual states. Part of the problem here is diversity, of course, since the large numbers are less of a problem if the member states more or less agree. However, in a situation where the member states are at loggerheads, the Council is likely to face the prospect of a de facto veto from both sides of the argument. This problem exists in any consensus style system; the concern is that the increase in numbers will make the operation of the system more difficult than in the past. The institutionalist analysis conducted in international relations concerning regimes suggests that regimes are precisely both most needed and often most difficult to maintain as the number of states (players) increases, because of increased likelihood and propensity to free ride or otherwise cheat and the simultaneous difficulty of monitoring, identifying and punishing non-compliance. (Axelrod and Keohane, 1986, pp.234-238)

In areas where there is majority voting, such as the measures relating to the Single Market, the problem is that with successive enlargements the power of the large states has declined. This is because the new states are given a number of votes according roughly to their population size, while the current members retain their present vote allocation. As the total number of votes increases, so does the absolute number of votes needed for a blocking minority. With the number of votes of the original member remaining the same, the relative worth of the votes has fallen. (See Madeleine Hosli, 1993, 1995) This problem was exemplified by the objections by Spain and the UK to the change to the level required to

[10] Preston (1995, p.459) discusses the level of growth rate over what period of time is likely to be required for these countries to reach 75% of the average EU GNP, the point at which they would no longer be eligible for Structural Funds.

block a qualified majority in the Council from 23 to 27 votes attendant on the accession of Sweden, Finland and Austria. (Granell, 1995, p.133) While the proportion of votes required for a blocking minority remained the same (around 30%), the coalition required to build that blocking minority was altered from two large states and a small state to three large states or two large states and three small ones. This sort of distributional issue was raised during the IGC and will likely be raised during the next enlargement. At Amsterdam, the EU member states agreed that the Council qualified majority voting system should more accurately reflect actual relative population size (in the form of either double majority of 70 per cent of votes and population of the EU or changing the weighting system to give the larger states more votes to account for their larger populations). This does not, however, address the problem of dilution of voting strength as more members are added.

Size

The size of the countries that make up the enlargement is an important consideration. While there has been much discussion of the complexities of an EU populated by a large number of small states, many of these difficulties actually concern the number of EU members rather than their relative size.[11] While there are some problems posed by new smaller states in the EU, the primary difficulties concern the larger countries. Where a country is both large demographically and poor relative to the EU, the implications for the budget are possibly severe. Both Poland and Turkey fit into this category, as do the Ukraine and Russia in the longer term. Budget problems will likely centre on the claims for assistance under the variety of EU funds, such as the Structural Funds and funding under the Economic and Social Cohesion. While there are those who suggest this will not actually turn out to be that much of a problem in the case of, say, Poland (*Economist*, April 12, 1997, p.77),[12] the exceptional status granted to the Scandinavians in regard to their poorer, but still in EU terms wealthy, Northern Regions, suggests otherwise. Geographic size can also be significant when the entrant is predominantly agricultural. Simply because of its prominence -- it still accounts for 50% of the EU budget -- the Common Agricultural Policy (CAP) will be a serious problem. Including predominantly agricultural Poland would be a huge extra cost to the CAP. (Lavigne, 1996, pp.8-11) Then again, size is important on the EU side also. The effects of enlargement are dramatic in the context of the budget of the Commission, though the impact on the European economies is likely to be much smaller -- in the range of 0.1% of GNP -- especially given the long time frame within which much of the enlargement is likely to take place and policy changes that may be attendant on the process. (*Economist*, May 31, 1997, pp.14-15) More on these issues below.

It has been suggested that smallness can also be a disadvantage. The consequences for the EU in this regard relate most to decision-making and institutional arrangements. Smaller states (some argue) find the burdens of EU leadership, such as Presidency of the Council, particularly onerous. Small states are stretched to the limit to perform the functions of the Presidency, especially as the EU gets bigger and takes on more competencies. Think about it: in Canada, the president of the EU represents the EU for all of its members, alongside the Delegation of the European Commission.

Additionally, it has been suggested that, in terms of external representation, it is difficult for the EU to be taken seriously when it is represented by, say, Luxembourg (or as it could be in the not too distant future, Latvia), as the Presidency rotates through the members of the Council alphabetically[13] each six month period. Furthermore, the distribution of countries in the Troika is an issue. In future, Luxembourg might be followed in the Presidency, not by the Netherlands but by Latvia and Lithuania. The problem here is that the EU's system of external representation is based on the Troika of previous, present and next Presidents. The problem of smallness is that the EU will be represented by states that

[11] At an aggregate level, of course, a small number of large states might be more or less the same as a large number of small states.

[12] Citing a study by Richard Baldwin, Joseph Francois, and Richard Portes, in *Economic Policy*, 24, April 1997, consider seven applicants.

[13] Except with the changes decided at Maastricht, reversing the order for each year.

cannot possibly have the necessary clout with the likes of Japan, the US, and so on. Added to this, all states now have to wait a lot longer for the privilege of being President, a matter of greatest concern to the larger states who feel this decline in their proportion of representation.

There are a variety of proposals to remedy this 'problem', while the smaller states reject the intimation that they need, for instance, to be matched (and thus over-shadowed) by a larger state in the Troika. Indeed, the smaller EU members understandably react angrily to suggestions that they cannot perform the functions of the Presidency adequately and point, with some justification to the fiasco of the last UK Presidency as a demonstration of the difficulties large states can get into. Luxembourg more or less devotes its entire foreign policy apparatus in being the President but is none the worse for that and neither is the EU, for that matter.

Location

The physical and cultural location of the entrants is an important factor in enlargement because of the new and extended peripheries of the Union and also because of increased diversity within the EU. While one would not wish to raise the spectre of Heartland Europe or of a Clash of Civilizations (Huntington, 1997), the implications of including those states that are at the geographic core of "Europe" are rather different than with those at the periphery. While physical geography and cultural geography are most certainly not the same thing in Europe (or elsewhere), it is also true that the challenges of political, social and cultural diversity are greater as one moves away from Western Europe. For instance, whatever is said about the quality of democracy in the former Communist countries, there is little doubt that its character becomes less certain and familiar as one moves further away from the present EU. Thus, the Czech Republic, Hungary and Slovenia appear likely to require smaller adjustments than Bulgaria, Romania and Turkey.

In terms of geographic location, there is the relative sense of stability that goes with being in both NATO and the EU, as the Central and East Europeans know all too well. The further removed from this location, the more likely a state is to have either a border or other dispute with its neighbour or a conflict on its border. Greece and Hungary, for example, have had particular views of the conflict in the Balkans simply because of their geographic location if nothing else. The location of the Baltic states will make for a particular set of issues relating to Russia should they be admitted to the EU. (Kux, 1996, p.12)

The diversity of strengths and weaknesses of economies across Europe is exacerbated by enlargement and creates significant difficulties for policy areas with common policy frameworks, for instance because new members might have a significant comparative advantage in some areas, for instance, to take an example pertinent to the Central Europeans, steel or textiles. Each of these areas was categorized as sensitive in the negotiations on the Europe Agreements. Enlargement will strain a number of the common policies of the EU because of the increase in size and of the increase in diversity. Even the Czech Republic and Hungary have much higher levels of employment in agriculture than the EU average, and wages that are far below the EU average. There are several concerns: the budgetary impact could be catastrophic, but in addition to this there is the worry among many in the EU that the introduction of the CAP into these countries will perpetuate or even encourage an emphasis on agriculture (the opposite of the intention of the CAP and of the accession of these countries). On the other hand, measures taken to mitigate the implications for the CAP are more often than not synonyms for CAP reform, a notion that is highly political within the EU and opposed by the Southern bloc in particular (see Distributional Issues below).

Though these policy and budgetary issues are important, they are not the only problematic areas when it comes to the diversity that is attendant on taking in members from the periphery of Europe. One of the difficulties is going to be the increasing problems of making the decision-making system work. Concern about increasing the range of majority voting in the Council of Ministers arises precisely because the increasing diversity of the member states of the EU has meant that there is considerably less common ground between them. This problem, of course, is exacerbated when two member states are on different sides of an issue. Take for example the question of nuclear power and nuclear weapons. The British and

the French see this issue very differently from the Swedes. Bringing Spain into the EC was undoubtedly a success on the whole, but the impact on the Common Fisheries Policy has been detrimental and, indeed, was one of the reasons the referendum on joining the EU failed in Norway. (Sogner and Archer, 1995, pp.397-399)

In other areas of common policy, diversity will make it difficult for the potential member to comply with EC rules. Take, for example, the environment, where the EU standards will be difficult for the CEEs to attain in the near term. In such areas, a transitional period might be suggested -- not without precedent in accessions to the EC. The difficulty with this is the relation of environmental standards to free and fair trade within the EU and also, more generally, the ad hoc nature of such arrangements.

Other impacts of the increased diversity of the EU with enlargement include the increase in the number of Community languages (though not Working Languages of the Community), adding further to the costs of translation at meetings and of documents. The inclusion of several states from Central and Eastern Europe is likely to shift the balance in the EU in terms of coalition building. On the one hand, this is likely to alienate the Southern members, particularly on issues relating to the CAP and Structural Funds. On the other, the Northern shift in the Fourth Enlargement brought an orientation to environmental issues to some extent and certainly an increased concern with the Baltic states. Any Eastern enlargement will bring new issue areas and, likely as not, conflict with previous agendas and shake-ups in coalitions (take for example, the environment).

Nevertheless, the bottom line in terms of the policy impacts of diverse location (as for other factors in the Fifth Enlargement) is money. The budgetary impact in absolute and distributional terms will be one of the key issues in the accession negotiations. The EU has a variety of assistance arrangements for regions and countries with GNP per capita below 75% of the EU average. None of the CEE applicants is anywhere near this figure and all will be eligible for Structural Funding. The Structural Funds are up for review in 1999, however, and there is a prospect of radical change. As with the CAP where there has been reform, the process of modifying the policies is likely to be hotly contested. In any event, the new members, in so far as they are relatively poor in comparison to the rest of the EU, are likely to press their claims for financial assistance from the EU.

Timing and Sequencing

In addition to the factors already mentioned, the EU must deal with the timing and sequencing of enlargement, or when to bring in who. Timing and sequencing are related but separate issues. The timing issue centres on when to admit new states; and the question here, of course, is readiness, with the caveat that all states in a group need to be ready and that in this enlargement there may be a need to tell some applicants that it is not their turn yet. Formally, the EU will take in, as it has in the past, those states that have applied for and are ready for accession. However, enlargement is likely to be more complicated than that. As was noted earlier, the classical method of enlargement has been to negotiate bilaterally with a number of states. The difficulty is that the requirement of individual state readiness may contradict the need to group states with ties to each other. For instance, the most natural grouping at one point, the Visegrad Four (the Czech Republic, Hungary, Poland and Slovakia), are not at the same level of readiness. Thus the issue of sequencing is also raised; does the EU take in those of this group that are ready, or should it wait until all of the states are ready for accession? What has happened in practice is that the groupings of candidate countries are redefined, in this case to exclude Slovakia and perhaps to include Slovenia.

Grouping states according to which is ready for the next enlargement is likely to be a highly political and sensitive issue, however. Readiness is not as straightforward as it might seem because, as in the past, there is the possibility of transition periods for certain policies for those new member states that are not yet entirely ready for the burdens of full membership in the EU. Furthermore, a more “flexible” EU might possibly give new members more flexibility as to the policies they need to comply with. (On

flexibility, see European Commission, 1996, pp.21-22; *The Economist*, May 31, 1997, pp.12-13; and the Amsterdam Treaty[14])

Timing can also be influenced by factors outside the control of the EU. Obviously, the lodging of applications, especially the number that we see at the present time, has an influence. A dramatic event such as the end of the Cold War, and more concretely and directly the transition to democracy of neighbouring states (Spain and Portugal, for instance) pushes the enlargement agenda. Presently, the event that will fuel the need to enlarge the EU and shape the character of that enlargement is the "parallel" enlargement of NATO that is touted for 1999. This will do a lot for the case for admission to the EU for those that are admitted to NATO (for the time being, the Czech Republic, Hungary and Poland), while hurting the chances of some others (ironically the state most likely to lose out is a present NATO member, Turkey).

Timing is also critically influenced by the character of the EU. Should the *acquis communautaire* be watered down in any way, for instance, by moves at the IGC to some form of flexibility in the EU or perhaps a multi-speed Europe idea, then the difficulties of admitting new members could well be reduced, both for the members (who would not have to take on all the burdens of full membership) and for the EU (that would not have to accommodate the new members' needs in the ways that they have in the past). The problem with multi-speed Europe and its variations is that it can look very much like an institutionalization or rationalization of second (or third) class membership.

However, all this talk of readiness of candidate countries skirts a critical issue that the EU member states must face: are *we* ready for enlargement? The Classical Method of EU enlargement suggests this is a non-issue; it is the applicants that need to adjust, not the EU. However, the range of changes attendant on the progressive enlargements of the EU indicate that the EU should be more circumspect this time with regard to enlargement, or alternatively that the EU needs to be bolder on the changes considered at the present IGC.

The problem of sequencing, or who comes first and who next and when, is most pointed in the case of animosity between candidate states, though there is a more general problem. As the *Study on NATO Enlargement* (p.10, para 30) acknowledges, there are concerns that a new member might "close the door" behind them, blocking future enlargement. In the case of Hungary and Slovakia, if the former is ready for accession while the latter is not, is it wise to expand to include Hungary without Slovakia, and on what terms, given the controversies and disputes between them? Even though the EU-sponsored Stability Pact of the OSCE, the OSCE more generally, and NATO's Partnership for Peace have helped smooth the differences, there is a remaining dilemma for the EU (and for NATO). There is an asymmetry between what the EU can persuade a potential member to do or promise to do and what the EU can persuade a member to do. This logic suggests bringing in both sides of a dispute at the same time, as the EC did, incidentally, with the UK and Ireland, and as the negative example of the admission of Greece suggests. To suggest that old hostilities are unlikely to be problematic is clearly too optimistic, as the problems that emerged in the last several years between Slovenia and Italy, and between Germany and the Czech Republic, demonstrate. The Greek-Turkish problem could turn out to be critical for both EU and NATO enlargements: Turkey has hinted it will veto NATO enlargement if their application to the EU is not given more priority and if Cyprus is admitted, while Greece has indicated it might stall EU enlargement if the Cyprus is delayed. (*Economist*, May 31, 1997, p.14)

The more general problem with sequencing is the set of consequences of grouping states into those that are admitted this time and those that are left outside. The discussion of NATO enlargement has been punctuated by the concern that bringing in the three Central European states will, for instance, give the impression of abandoning the Baltic States to their fate. In any event, enlargement this time will likely come with some indication of the terms of a further enlargement and probably additional or modified mechanisms for bridging the gap between members and non-member applicants, such as a

[14] Discussion of flexibility can be found (among many other places) at http://www.cc.cec:8080/en/agenda/igc-home/chap4/en_2.html, where it is discussed as part of the Citizen's Guide to the Amsterdam Treaty. For more information, see http://europa.eu.int.

Standing Conference of prospective members in order to enhance the already existing political dialogue. However, such mechanisms are only likely to complicate and prolong the already tortuous process of enlargement further.

Distributional Issues

Distributional issues within the current EU underlie many of the difficulties regarding enlargement. In the accession negotiations with the EFTANs, the negotiations among the Twelve were more heated than those between the Twelve and the applicant states. (Granell, 1995, p.121) Nowhere is this likely to be more of a problem than the negotiations over Structural Funds. Beside the fact that the level of funding will be very large -- this is a small problem compared to the situation regarding the CAP -- the present recipients of Structural Funds are concerned that they will no longer be eligible (as the EU average GNP per capita falls with the entrance of these very poor countries) and that the funds will not be sufficient. Thus, on the one hand, Spain, Portugal, Greece and Ireland can be expected to worry about decreases in funding, while the UK, Germany, France and the Scandinavians can be expected to be concerned at the growing bills. (Hughes, 1996, p.4) A further complication is that the extent of the funding might prompt some to ponder whether the Structural Funding will do what it is supposed to do, that is, facilitate structural change and economic development in relatively undeveloped areas. It might instead simply prop up failing development projects and enterprises. In addition to this, because the CEEs are making the transition from Communist command economies, the situation is not strictly comparable to the accession of Greece, Spain and Portugal, which while recently authoritarian at the time, nevertheless had approximations to market economies.

Further problems will be raised with the confluence of the enlargement and EMU projects. It is at least arguable that enlargement negotiations among the current membership will be further politicized by the already divisive issue of who is in or out of EMU and the apportionment of the costs of the EMU project. If the EU member states have already absorbed one set of external shocks to their economies as a result of EMU, they may look less favourably on enlargement than otherwise would have been the case without EMU.

Discussion of the internal distributional issues is only one half of the matter, however. Any enlargement has implications for the EU's trading partners through trade diversion. This was an expected problem with the Internal Market programme. Countries that trade with the EU in commodities in the agricultural and textile sectors, for instance, will likely see a significant change should there be an enlargement to include, for example, Poland and the other Central European states. The impact of enlargement will be greater and smaller in a variety of industrial and agricultural sectors, but the common element will be the relative lack of input from those most affected, with the exception of the EU's largest trading partners, such as the US and Japan.

Lest the impression be that there are nothing but problems associated with the next enlargement, it is worth considering those areas where there is likely to be less difficulty. Ironically, Economic and Monetary Union (EMU) is one of these. There had been concern that with the increased integration in the EU, especially after Maastricht, that the barrier to entry had been raised too high for all but the most developed of applicants (Smith and Wallace, 1994, p.438) -- particularly in the case of EMU. However, it is one of the unique features of the plan for EMU that it has built into it the staggering of membership. Unlike all previous policies of the EU, the EMU is designed in the expectation that not all members will join at one and the same time. With the volatility in financial markets in 1992 and 1993 and the de facto collapse of the Exchange Rate Mechanism, the idea of a multi-speed EMU has even more salience. The implication for the CEEs is that they need not join the EMU when they join the EU and that they will not be unique in not being in EMU. At the same time, we might note that EMU and enlargement both point to a changed EU -- the flexibility in membership of the EMU is said by some to herald a new era of EU policy making. In the end, the difficulty with EMU is likely to be elsewhere. It is most likely to derail enlargement by being such a huge distraction from other issues in the EU agenda, and might in other ways politicize the enlargement negotiations.

For different reasons, the Second and Third Pillars of the EU -- Common Foreign and Security Policy (CFSP) and Justice and Home Affairs (JHA), respectively -- that have caused current members of the EU and the Commission and Court so much grief are not as much of a problem for the CEEs or their future EU membership. The CEEs desire inclusion into the foreign policy and security and defence cooperation arrangements of the West and will be happy for the most part to join CFSP. The problem is likely to come with the issue of Full Membership in the Western European Union, but that is a separate organization and the issue could and should be dealt with there.[15] Cooperation in JHA has been a problematic area for the EU, although according to the then Irish (EU) Presidency's draft treaty for the current IGC, there has been progress on coordinating immigration policies. Migration will be the single largest issue in this area in terms of the accession of the CEEs. However, one might expect that any problems of international migration would be reduced on enlargement (for reasons mentioned above), and that the problem would exist independent of whether these countries were inside or outside the EU.

V. Enlarging the EU in 2002: Scenarios for the Fifth Enlargement

What does the discussion suggest for the next EU enlargement? Who will be admitted when, is the most important question. Conceptions of the EU's identity will influence the overall shape and timing of enlargement as well as consideration of specific applications. More practically and immediately, the decisions made at the IGC will be important, especially as, in many cases, they seek to address some of the implications of coping with an enlarged membership, such as reform in decision-making or more profoundly a movement towards a more flexible structure for the EU. (European Commission, 1997, pp.19-27) Besides this, there is a range of opinions as to when enlargement *should* happen, with security studies academics arguing for a fast track and EU experts, at the other extreme, being pessimistic about immediate prospects. (Smith and Wallace, 1994, p.438)

Despite many critiques, and notwithstanding some possible hitches in ratification in the US Congress in particular, NATO will enlarge to include the countries of Central Europe, the Czech Republic, Hungary and Poland, with luck, by 1999. The pressure for the EU to enlarge following or in parallel to NATO enlargement is going to be intense. However, EU enlargement in 1999 or 2000 is not plausible for technical reasons . The current IGC will finish later this year at the earliest. In most cases, negotiations on accession of new members will have to await a Commission Opinion. Being extremely optimistic, this takes us to the middle of 1998. Once the time needed at the end of the process -- to ratify the accession agreement in the applicant and EU member states -- is factored in, the time remaining for negotiations might be measured in months rather than years. This is far too tight a time frame, as the commentators in the press have been suggesting, even if the EU was not trying to negotiate the establishment of EMU in some workable form or other in 1999.

The EU is committed to opening negotiations with Cyprus and Malta six months after the end of the IGC. However, presently the status of the Maltese application is uncertain after the new government's rise to power on an anti-EU platform. Cyprus remains a thorny problem given its divided status. In any event, whether enlargement will or will not include these two countries very much depends on their own readiness and, problems of being on the periphery of Europe aside, any enlargement that includes them is unlikely to be greatly problematic. The situation with enlargement in Central and Eastern Europe raises bigger issues with higher stakes, as does the apparently indefinite deferral of any admission of Turkey into the EU.

[15] Presently the Central and East European countries that have a relationship with the WEU are dubbed Associate Partners. Accession to the European Union of a non-NATO member would in theory permit an Associate Partner to become an Observer; for those that attain NATO membership in 1999 or shortly thereafter, they can become Associate Members on admission to NATO and then Full Members on admission to the EU.

In this context, what are the scenarios for EU enlargement in the near future? I list a number of possibilities here, not by their plausibility but purely in the logic of enlargement discussed above. Logically, when we consider the scenarios for the EU's Fifth Enlargement we need to take into account a couple of broad sets of parameters, both related to identity, of the EU on the one hand, and the prospective member, on the other. First, what sort of EU will be expanding? Much as it is now, or a more 'flexible,' less 'unitary' EU? If the former, this makes for a large set of requirements for the applicants and can be expected to make negotiations long and difficult; if the latter, it might make enlargement negotiations more simple, since certain areas (perhaps) can simply be side-stepped as a tribute to 'flexibility.' (*C.f.*, Hughes, 1996) A second consideration will be, are the new members expected to be completely ready for membership or will there be transitional periods? If the former, enlargement will likely be delayed but happen all at once when it does; if the latter, enlargement can happen sooner but will take longer.

Taking these two into consideration in the context of answers to the Why and How questions produces five scenarios:

Unitary EU

1. No enlargement in the foreseeable future / accession negotiations deferred indefinitely.
2. Limited enlargement to Hungary, the Czech Republic, and perhaps Slovenia, but after long negotiations.
3. Limited enlargement to Hungary, the Czech Republic, and perhaps Slovenia, in 2002 or shortly after, with long transition periods.
4. Limited enlargement to Hungary, the Czech Republic, Poland, and perhaps Slovenia, in 2005 or shortly after, with long transition periods.

Flexible EU

1. Limited enlargement to Hungary, Poland, the Czech Republic, perhaps Slovenia, in 2002 or shortly after.
2. Enlargement to include all Central and Eastern European applicants within the next decade.

Given all the difficulties that this enlargement is going to bring or at least raise, the last of these is unlikely. Indeed, one might want to deny the likelihood of either of the last two on the grounds that a flexible EU was not successfully negotiated at the IGC. However, such a denial of the possibility of the emergence of a more flexible EU ignores the developments in the last several years regarding EMU and the Social Chapter which have legitimized opt-outs/opt-ins and staggered membership, as well as in connection with the WEU and the Schengen Agreement, each of which are extra-EU arrangements where a majority of EU members coordinate their policies. In short, a more flexible EU is already upon us; it is not a decision to be taken by the member states alone, but has become a *modus vivendi* in Europe more broadly and a feature of the everyday activities of the EU.

The first scenario is also implausible for the reasons I began with the EU wants to expand. Add in the demonstration effect of NATO enlargement and the EU will be compelled to consider new members in the next few years. The second scenario is also problematic. Drawn-out negotiations tend to drain the energy of the EU and infuriate the prospective member. This scenario is not unlikely; sadly, it is all too possible that negotiations will end up getting bogged down because of internal distributional issues among the present members of the EU. This leaves the third and fourth scenarios, which differ as to the timing and the number of the new members. These scenarios both suggest an early enlargement, with transition periods for certain issue areas if necessary,[16] and with modest changes in the institutional structure of the EU, at most an acknowledgement of the limited changes made at Amsterdam. In these

[16] An alternative to transition periods for specific sectors is a general acceptance of a minimum *acquis* that new members are expected to attain. See the North Atlantic Assembly report, 1995, p.13. Unless some variant of this approach is adopted, there are likely to be different transitions and different transition periods for the different candidate countries. (Smith and Wallace. 1994, p.442)

scenarios, enlargement may not take place in 2002, but this would certainly be an appropriate date to aim for.

The presentation of these scenarios is intended to be thought-provoking rather than rigorous. In that spirit, I have suggested that a scenario of EU enlargement in 2002 is the earliest possible date. 2002 probably strikes many as rather unnecessarily specific and undoubtedly overly optimistic. The reason it is chosen -- beyond the rhythmic, rhyming quality 2002 has when combined with EU -- is that it will make for a smooth transition from the present Europe Agreements to membership. *The Economist* suggests that, though appealing, 2002 as a target date ignores the "delicate politics of enlargement," (May 31, 1997, p.13) by which they mean the difficult internal politics that goes with enlargement negotiations. Even Zbigniew Brzezinski, a prominent proponent of enlargement of both NATO and the EU to Central Europe, does not see this occurring in the EU case until "some years after 2000." (Brzezinski, 1995, pp.38-39) If the analysis above is correct, however, 2002 is not only the best of the scenarios presented above but is one that the present members are likely to accept. Why? It is best because it maximizes the benefits to security and economy in the near and medium term. It is acceptable if for no other reason than the demonstration effect of NATO enlargement and the fear of the enlargement agenda being co-opted, while the problems with enlargement are not going to be solved by delay. 2002 only works, however, with a certain sequence of enlargement. Particularly, unless there is an unexpectedly dramatic change in the EU's decision-making and institutional arrangements, the most palatable first round of enlargement in 2002 will include a number of relatively small countries.

VI. Conclusion

In conclusion, it is important to note that there would likely be political problems with the enlargement scenarios for 2002: Poland is missing, primarily because of its demographic size. With Poland accepted into NATO in the first round, the pressure is on the EU to accelerate negotiations for Polish admission to the EU. This is the fourth scenario where the three or four (if Slovenia is included) Central European states enter the Union in 2005 with transition periods. However, as I have noted, there are reasons to be cautious. If the factors that I identified above as potential problems can be discounted in the Polish case, all well and good, as long as enlargement is not delayed too long. Any delay of enlargement should be considered seriously. By contrast, delaying Polish entry into the EU and putting it into the second round of this enlargement process might be a good thing. It will increase the certainty that there will be another round of EU enlargement in the not too distant future, an effect that is sure to reassure the Baltic states, for example.

An EU enlargement that does not syncronise with the NATO enlargement agreed at Madrid will also increase the "variable geometry" character of European institutions. If this is the case, the EU needs to weigh any perceived benefits of not recreating hard and fast dividing lines in Europe against the complexity that goes with any form of variable geometry. The Study on NATO Enlargement did not do this. It simultaneously argued that, "[a]n eventual broad congruence of European membership in NATO, EU and WEU would have positive effects on European security," having suggested the need for "a broad European security architecture that transcends and renders obsolete the idea of 'dividing lines' in Europe." (NATO, 1995, p.5,8) The EU needs to be careful regarding dividing lines within Europe, but a different but ultimately related issue is more pressing. As Smith and Wallace suggest, what sort of EU is as important a question as how large: "[t]oo little adjustment would risk freezing inappropriate processes and policies. Too much adjustment could unravel solidarities that have helped make western Europe safer and relatively prosperous and that hold out to central and eastern Europe the prospect of enjoying comparable security, political democracy and economic welfare." (1994, p.430) In short, dividing lines in Europe implicate EU identity and vice-versa. Such is the complex and difficult process of EU enlargement.

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