



THE CRISIS OF
EU ENLARGEMENT



Guest Editor

Luc-André Brunet

Managing Editor

Dr Ursula Durand-Ochoa

IDEAS Editor-in-Chief

Dr Nicholas Kitchen
IDEAS.reports@lse.ac.uk

Creative Director


Indira Endaya

Cover photo

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➤ Executive Summary

Luc-André Brunet

Enlargement is widely hailed as the EU's most successful foreign policy tool. Over the past four decades, the European Community (which became the European Union in 1993) managed to transform itself from a club of six Western European democracies to the world's largest economy, encompassing 28 countries and half a billion people. The recent financial crisis, however, has given rise to doubts about the viability and the attractiveness of the EU model. In this context of soft power crisis, the EU has a policy problem, that, according to Günter Verheugen, 'the enlargement process now lacks any strategic orientation'. Enlargement faces daunting challenges both internally and with respect to its neighbours. If the EU hopes to revive its most successful foreign policy tool, it must reconsider why it has been successful in the past and integrate these lessons to develop a new strategy.

As N. Piers Ludlow explains, enlargement was never part of the initial European project when it began in the 1950s, yet it eventually became one of the EU's most important and successful policies. While the first enlargement of 1973 welcomed other Western European democracies (the UK, Ireland and Denmark), no long-term strategy for enlargement was developed. Only with the Greek accession in 1981 did the strategy of democratisation enter into the enlargement process. As Eirini Karamouzi demonstrates, from that point onward the Community sought to encourage and entrench democratic transitions among its neighbours, with membership being their ultimate reward. Moreover, democratisation was linked to security considerations in the geopolitical context of the Cold War. Cristina Blanco Sío-López describes how the Community developed and institutionalised its enlargement strategy through the Spanish accession in 1986 to shape the eastern enlargement of 2004. Post-communist states in Central and Eastern Europe, meanwhile, sought to assimilate to the Western European model, as Anne Applebaum explains, by adopting Community membership as an overriding policy objective. The peaceful spread of democracy across the continent and the successful integration of these countries has been one of the greatest successes of the EU.

Today, however, enlargement is confronted with significant challenges. Democratisation proved to be a powerful and popular tool first in Southern Europe, then in the former Eastern bloc, as states eagerly undertook reforms in order to secure their 'return to Europe'. A quarter century after the end of the Cold War, however, this strategy has been exhausted. Eschewing the more ambitious objective of democratic transformation, enlargement strategy is now driven by the more ambiguous goals of 'peace, security and prosperity'.

Internally, the economic crisis has all but paralysed the enlargement process. As John O'Brennan argues, the crisis has damaged the EU's reputation as an attractive economic giant. Established members decry having to absorb the costs of assisting less prosperous states at the EU's borders. At the same time, the implementation of painful reforms is now considered less palatable by applicant countries, especially now, when the end prize seems to have lost so much of its lustre. Even the hard-won accession of Croatia in July 2013 was met with only muted celebrations. Moreover, there is a lack of safeguards in the EU to prevent backsliding by states once they become members. While the accession process becomes ever more arduous, the EU has remarkably limited means to deal with issues ranging from worsening corruption in Bulgaria and Romania to democratic regression in Hungary.

Meanwhile, the EU faces external challenges in its shared neighbourhood. While Russia initially did not oppose eastern enlargement, an increasingly strident Moscow is now belatedly pushing for a rival economic bloc, the Eurasian Union. As Joan DeBardeleben notes, the EU has no coherent strategy for dealing with Russia, which risks making their competition for influence over their common neighbours increasingly antagonistic. The EU's response to this predicament has thus far been unsatisfactory. The European Neighbourhood Policy (ENP) was launched to deal with the EU's neighbours with tools other than promises of accession. However, as David Cadier writes, the ENP has been executed as merely an equivocal and unfocused version of the enlargement strategy.

At a time when the EU is looking to emerge from the ongoing economic crisis and to reinforce its foreign policy credentials, a reinvigorated enlargement policy can play a key role. The EU must do more to convince its own citizens, as well as those of the Western Balkans, Turkey and ultimately Ukraine of the merits of enlargement. The EU must also develop tools to ensure that reforms are maintained once states join. This could help facilitate the accession process, which has steadily grown so demanding that no country is expected to join the EU by 2020. More broadly, the EU must develop a coherent strategy for dealing with Russia. Furthermore, the ENP must depart from the enlargement template and emerge as a distinct policy in order to influence its neighbours without the guarantee of enlargement.

It is a well-worn cliché in Brussels that the European project is like a bicycle: it must continue to move forward lest it collapse. Simple inertia, however, is no longer sufficient. In the context of the ongoing crisis, the EU must re-evaluate why enlargement has been successful in the past and understand the obstacles facing it today. Only then will the EU be able to reconceptualise enlargement for a new era and revive its foundering soft power. ■

Contributors

ANNE APPLEBAUM held the Philippe Roman Chair in History and International Affairs at LSE IDEAS for the 2012-2013 academic year. As Warsaw correspondent for *The Economist* in 1989, she covered the collapse of communism in the region. She is currently the Director of Political Studies at the Legatum Institute in London and a columnist for *The Washington Post* and *Slate*. She won the 2004 Pulitzer Prize for non-fiction for her book *Gulag: A History*.

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CRISTINA BLANCO SÍO-LÓPEZ is a Researcher in European Integration Studies and a Project Manager at the CVCE, Luxembourg. She holds a PhD in History and Civilization from the EUI and is also a Lecturer at the University of Luxembourg and a Scientific Committee Member of the 'MA in European Studies' at the University of Siena. She is the author of *Converging Pathways. Spain and the European Integration Process*, published by P.I.E. Peter Lang in 2013.

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LUC-ANDRÉ BRUNET is the Programme Assistant for the Cold War Studies Programme at LSE IDEAS and Managing Editor of the journal *Cold War History*. He is a SSHRC Doctoral Fellow in the Department of International History at LSE and was Visiting Scholar at the *Centre d'Histoire de Sciences Po* in 2013. His research focuses on the history of European integration.

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DAVID CADIER is a Fellow in Strategy and Diplomacy at LSE IDEAS and a teaching fellow in the International Relations Department at the LSE. He earned his PhD from CERI-Sciences Po (Paris) in 2012. He was a visiting scholar at the Centre for Transatlantic Relations at SAIS Johns Hopkins University, at the Prague Institute of International Relations and at the Fletcher School of Law and Diplomacy. His research interests lie in foreign policy analysis, EU external relations, Central and Eastern Europe and Russia's foreign policy.

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JOAN DEBARDELEBEN is Chancellor's Professor of European, Russian, and Eurasian Studies at Carleton University in Ottawa. She is Director of Carleton's EU Centre of Excellence and holds a Jean Monnet Chair in the EU's Eastern Neighbourhood Relations. Her research deals with Russian and East European politics and with EU-Russian relations.

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EIRINI KARAMOUZI is the Deputy Head of the Southern Europe International Affairs Programme at LSE IDEAS. She is currently a Max Weber Fellow at the EUI and was a Lecturer of European Studies and History at Yale University for the 2012-2013 academic year. She completed her PhD in the International History department at LSE and her forthcoming monograph *Greece, the EEC and the Cold War, 1974-1979* will be published by Palgrave Macmillan in 2014.

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N. PIERS LUDLOW is the Head of the Cold War Studies Programme at LSE IDEAS and an expert in integration history. The theme of enlargement has loomed large in his research. It formed the core of his first book, *Dealing With Britain: the Six and the First UK Application to the EEC*, was a significant issue in his second, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge*, and will recur in his third which takes a detailed look at the Commission Presidency of Roy Jenkins, 1977-81, a period during which the Greek membership negotiations concluded and those with the Iberian applicants began.

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JOHN O'BRENNAN lectures in European Politics and Society at the National University of Ireland Maynooth (NUI), where he is also Director of European Studies and of the Centre for the Study of Wider Europe. He has written two volumes on EU Enlargement, *The Eastern Enlargement of the European Union* (Routledge, 2006) and *National Parliaments in the Enlarged European Union: from victims of integration to competitive actors?* (Routledge, 2007). He is currently writing a volume entitled *The European Union and the Western Balkans: From Stabilisation to Normalisation and EU Membership* (Routledge, 2014).

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GÜNTER VERHEUGEN was European Commissioner for Enlargement between 1999 and 2004 and oversaw the enlargement of the EU from 15 to 25 member states. In his second term, from 2004 to 2010, he served as Vice President of the Commission in charge of enterprise and industry. Prior to this he was a prominent member of the German Parliament for 16 years. Today, he is honorary professor at Viadrina University in Frankfurt (Oder).

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➤ The Crisis of EU Enlargement

➤ Enlargement Since 2000: Too Much Too Soon?

Günter Verheugen

Today, the enlargement rounds of 2004 and 2007 are often criticised for their quick pace and lack of preparation. Indeed, nearly all member states that joined in the last decade still struggle with complex problems. All of the post-communist countries had to build up modern democracies, functioning market economies and efficient administrations without textbooks or blueprints on how to master such complex transformations. In most countries, this transformation is not complete and their economies are fragile and below the average level of EU wealth. The rule of law needs strengthening, the political culture remains weak and corruption (despite all efforts) is widespread and in some cases on the rise. Moreover, two out of the four countries that introduced the euro quickly after accession face serious difficulties.

One could question the EU membership of the newcomers of 2004 and 2007 if their problems stood out from the crowd, but this is not the case. Greece, Portugal, Ireland, Spain and Italy also face quite serious problems that will take many years to solve. In fact, today only a few EU countries are well-functioning democracies with healthy economic patterns, efficient administrations and vibrant civil societies. The greater the euro crisis, the louder some voices have demanded those countries' exit. These voices do not come from EU institutions, but from national political leaders – for instance, in Germany there is a strong view that Greece in particular should leave the euro zone. There could be a correlation between the negative perception of recent or future enlargements (especially Turkey) and the false understanding of the EU as a club of high-performing Western countries.

The EU currently faces an identity crisis brought about by a number of reasons. Politically, the EU was long seen as 'Europe', a Western ally in the Cold War that cut itself off from its Central and Eastern European parts just as Christian Europe did from its Turkish roots when the Hagia Sophia was lost to the Turks in 1453. However, the breakdown of the Iron Curtain unveiled a nearly forgotten part of the continent that had never given up its European character. The West European uneasiness with that forgotten part – and its claims to belong to Europe after freeing itself – materialised into the development of a set of criteria that each country had to fulfil to join the EC. These criteria had a biased nature from the outset. It had a take it or leave it approach with no flexibility that disregarded country-specific needs or aspirations. And whilst these criteria defined the scope of the transformation and provided countries with orientation, the final judgement on their fulfilment rested solely on the EU. The judgement, moreover, took place on an administrative level in the hope that it would remain objective. This gave officials a strong say on the details of the whole enlargement process and a high level of political influence over these countries. In short, the power to judge the criteria was a powerful weapon.

The enlargement conditions were further refined in 2006, underpinning the already quite detailed criteria with new benchmarks countries had to meet before negotiations could begin. Croatia suffered greatly as the first country required to pass this new procedure. Croatian officials complained only in private, however, because they feared they might lose the goodwill of the Commission, which is a precondition for success in the enlargement process. This new approach was meant to ensure the best possible

preparation for EU membership, but in reality the enlargement process now lacks any strategic orientation and instead functions in a lengthy procedural way. Iceland presents the best example: it was an EEA member that could have finalised the accession negotiations within a couple of months provided both sides had the political goodwill.

Economically, the needs of the most advanced countries govern EU integration. This problem first came to light when the Commission rightly pointed to Greece's economic weaknesses and imbalances when it aspired to EEC membership in the 1970s. However, the Commission quickly forgot its concerns when the European Council positively replied to the Greek request citing well-founded political reasons. As a result, the enlargement negotiations with Greece and all future cases took place along the same principles: full transposition of the existing *acquis communautaire*, no exemptions and few transitional periods. Financial assistance from the EU was seen as the necessary and sufficient instrument to help countries catch up. However, the recent crisis of the euro zone has demonstrated that this policy approach has not functioned in most cases and that the internal market, considered as advantageous to all countries participating, produces winners and losers because competition works.

European legislation, driven by the view that common rules must govern the internal market, has aggravated the problem of different economic development levels inside the EU. These rules disregard whether an enterprise acts at the local, regional or national level, or across the EU's boundaries and beyond. Furthermore, the internal market has not replaced national legislation, but stands alongside it as a complex set of regulations at the national and EU level. A rapid expansion of EU rules in a number of areas, such as taxation, health, the environment, veterinary aspects, social affairs and energy then followed the internal market concept. As a result, a complex set of EU and national regulations have set tough rules for all EU member states (big or small) that require significant compliance and administrative costs. The same goes for companies, with small enterprises from a given sector having to fulfil the same requirements as big multinationals.

On top of these developments came the introduction of the common currency, which eliminated another instrument of competitive adjustment – the exchange rate. EU countries do not have many tools left to cope with competitiveness issues. Wage setting plays a role, but only up to a certain point. The free movement of people ensures optimal factors allocation within a nation state. However, such freedom is limited by the different cultures and languages of the EU and by heavy administrative obstacles. How can one attract new investments in underperforming countries to strengthen their national base? Excellent education is one prerequisite, but not feasible in the short run. Excellent infrastructure is another – but how can countries develop infrastructure with tight budgets where a big portion of money is bound to other obligations? Countries could lower corporate taxes, but this would cause a negative reaction from the strong EU member states, and only a couple of EU member states to date have withstood the pressure for a common approach. The answers, as seen in the Commission's documents or in the rescue actions for Greece and others, are always the same: so-called structural reforms, meaning cutting wages, decreasing the budgets for the health sectors and pensions, raising taxes, hoping for successful privatisations and loosening the rules on hiring and firing. Instead of giving the countries more flexibility as compensation for the forlorn exchange rate mechanism, European mainstream thinking calls for even more common rules and regulations in the economic area.

Third, the nation state culture, with all its positive and negative consequences, is much stronger in the EU than anybody had expected after so many years of integration. A very interesting study on the development of corruption in the EU concluded that the EU cannot do much to help eliminate the structural reasons for corruption in any state, and that it may even add to the problem through vast rule-setting and EU transfers.¹

¹ Alina Mungiu-Pippidi, 'The Good, the Bad and the Ugly: Controlling Corruption in the European Union', Advanced Policy Paper for Discussion in the European Parliament, 9 April 2013.

More important, however, is another aspect. While the nation state gives its population a feeling of national identity and belonging, the EU obviously does not. Instead, the EU offers rational 'no-other-option policy choices', or (in bad times) a framework of blame games, where old stereotypes and prejudices resurface. Paradoxically, the EU cannot become a state, but the nation states in Europe cannot cope with the challenges of the present and the future on their own.

This deep identity crisis explains the EU's uneasiness with enlargement. Fundamentally, the EU has no idea how to cope with an ever larger number of countries. The long-lasting view that deepening would provide the appropriate framework for widening has turned out to be an incorrect assumption. It is also an illusion that EU membership creates more homogeneity amongst its members, which is one of the reasons why the EU is so reluctant with regard to Turkey's EU aspirations.

Instead, the EU has seen an increase in cultural, economic and social diversity. The concept of different integration levels inside the EU is consequently also re-emerging, although it is heavily opposed by the traditional supporters of 'more Europe' (which one could also interpret as 'more homogeneity').

The EU cannot overlook the challenge of managing increasing diversity. The integration and enlargement recipes of the past 20 years will not deliver the right answers. Politically, the EU should understand one of its assumed weaknesses – a lasting alliance of states, deeply rooted in European culture and history – as a strength. This would allow the EU to better recognise its historical role: safeguarding the integration of the different peoples of the European continent.

Economically, the EU should give up striving for homogeneity and allow much more flexibility for all present and future EU member states. The US internal market tolerates a lot of different environmental or taxation legislation and is considered a competitive and innovative environment. The EU should therefore revisit all rules without exception, whether they are needed at the European or any other level. Countries should undertake fitness tests, as the UK has started to do, and should examine whether individual rules

hamper or support their most urgent development needs. The result could be that countries might not apply every piece of legislation, or perhaps do so only partially or in the long run. Companies operating in the domestic market should face much lighter rules than those engaged in European or global business.

It would also imply a standstill in EU areas not relevant for exiting the current crisis in the euro zone. With a worryingly high level of unemployment and youth unemployment, it is hard to understand why the Commission now pushes issues such as environmental labelling.

The same flexibility should extend to the accession negotiations. While the EU should sustain its position on democracy, rule of law and human rights, it should enhance its focus on promoting real development needs (rather than assume that the transposition and proper application of EU rules will do the trick). This would, however, imply that member states give up an enlargement negotiation strategy driven by their own national fears and preoccupations and not by a real interest in their partners. This last point is perhaps the most difficult to achieve, since there is no real interest in the situation of other EU partners at the national level. The Commission has much more knowledge of the situation and facts than do member states, but profoundly lacks comprehension of the political and social needs and national circumstances of each member state. Thus, countries have sufficient loopholes to help them escape or hide unpleasant facts or difficult circumstances from themselves and others. Spain recently announced new legislation that will provide for the mutual recognition of products produced in compliance with the rules of one region and for the national market. This rule is superfluous following the internal market legislation, but the case demonstrates that countries can find their way around.

Consequently, both the Commission and the member states will have to change attitudes to allow more open and fair political discussions at the European level about what should and should not be done within a collective European framework. Changing attitudes, however, presents a formidable challenge in itself. There is not much time and only a few options remain on the EU's table. The first is to continue with

the past integration approach of muddling through, with a couple of countries performing well. The other and more preferable option is to critically review the negative developments of the last decades and to draw the appropriate lessons. Listening to the experiences of the countries of the last enlargement round of 2004-2007, evaluating where hopes matched expectations and where they did not (and why) could be a starting point. ■

➤ Hard-won but Vital: EU Enlargement in Historical Perspective

N. Piers Ludlow

Enlargement has become one of the defining features of the European integration process. This was neither foreordained nor predicted by those who drafted the Treaty of Rome between 1956 and 1957. The founding fathers mentioned the possibility of countries joining in the Treaty preamble. They also included Article 237, which provided more detail on the procedure for new countries to join. But nothing in the historical record indicates any realisation on their part of how central the expansion of the European Community (EC)/EU would be to the integration process. Still, in the sixty years of subsequent development, ‘widening’ has in many ways had the most dramatic impact on the process that the Treaty set in motion.

A CONSTANT ISSUE

The very first meeting of the European Commission in 1958 broached the issue of how the EC should relate to its neighbours – one of the agenda items at this meeting involved how to respond to the free trade area proposal advanced by the UK.¹ Within three years, the still fledgling EEC confronted its first actual membership applications when the UK, Ireland and Denmark (slightly later followed by Norway) submitted requests to join.² Greece and Turkey were also negotiating Association Agreements that explicitly referred to membership as the eventual outcome. In the decades that followed, few periods of community development have not had membership negotiations underway or under active consideration. These include a brief interlude in the 1960s, when the Labour government of Harold Wilson seemed to temporarily lose interest in UK membership; a couple of years after 1973 when Greece, Spain and Portugal were not in a position to apply; and a handful of years in the late 1980s when Spain and Portugal had joined, but the Cold War prevented the EFTA neutrals from doing so. On the whole, the prospect and reality of enlargement has become a fact of EC/EU life, and the task of both negotiating with prospective new members and accommodating those who have recently joined has become a truly Sisyphean endeavour. The 1973 decision by the European Commission to disband the ‘enlargement taskforce’ that had successfully completed the accession talks with the UK, Ireland, Denmark and Norway seems almost quaint in its inappropriateness in hindsight.³

Despite its centrality to the life and operation of the EC/EU, enlargement has never been easy and has seldom been regarded wholly positively by those already inside. The issue of who should belong to the EEC was arguably the most enduring and poisonous of the three great controversies of the integration process that divided Gaullist France from its five Community partners during the 1960s (the other two

¹ Robert Lemaignan, *L'Europe au berceau; souvenirs d'un technocrate* (Paris: Plon, 1964), 7.

² N. Piers Ludlow, *Dealing with Britain: The Six and the First UK Application to the EEC* (Cambridge: Cambridge University Press, 1997). The name of the EC has evolved over the years, so that in some of the earlier allusions it is more appropriate to use the term European Economic Community or EEC. Where claims are made that refer to the whole of the period since 1958, EC/EU will be used.

³ David Hannay, interview, July 14, 2011.

were what the Community should do and how it should operate).⁴ A resolution only arrived at the Hague Summit of 1969 when President Pompidou broke the EEC's near paralysis brought about by *la question anglaise* and set out to allow enlargement negotiations to begin in return for promises that completion and deepening would come with widening. A similar process of internal Community agonising took place in the 1970s over how to respond to the membership bids from Greece, Portugal and Spain. The Council of Ministers – despite that many of the individual member states shared the Commission's misgivings – almost immediately disowned the Commission's a disarmingly honest 1976 opinion on Greek membership, which made clear that the Commission did not see Greece as ready to belong to the EEC.⁵ In the early 1980s, France obstructed Spain and Portugal's advance towards EEC membership in a fashion that resembled the behaviour of General de Gaulle towards UK membership a decade and a half before.⁶ The so-called *Giscardazo* of June 1980 may have fallen short of de Gaulle's January 1963 press conference in terms of lapidary prose, but it faced the same degree of fury by the Spanish press as by the British press following the 1963 and 1967 vetoes.

The arguments advanced against enlargement have also shown a strong degree of consistency over the years. One could easily interchange the 1967 French foreign minister's denunciation of enlargement from six to ten as something that would change the nature of the Community with a much more recent warning about the consequences of enlargement to 27 or beyond:

An economic community of this nature, in other words with all those members and all those associates, would inevitably be something very different to the Community we have built up until now and to which we have grown accustomed, different from a political point of view, and naturally from an economic point of view also... So, ineluctably, it would not just be an enormous increase in the size of the Community as it currently exists. It would be the appearance of something entirely new and which would have only a distant link to what we call European integration.⁷

These arguments have also recurrently voiced dire predictions of institutional paralysis, unacceptably high budgetary burdens, floods of cheap migrant labour (especially in the case of the Mediterranean applicants of the 1970s) and dangerous threats to existing policy priorities (in the case of the anticipated British challenge to the CAP).

Additionally, many Community insiders have voiced the conviction that the arrival of new members has significantly contributed to a slowing down and over-complication of the operation of the EC/EU. During the 1970s and early 1980s, the 'class of '73' took on an unfair blame for the 'Eurosclerosis' of the period. Britain was indeed a fairly turbulent new member, and Greece of Andreas Papandreou also took some effort to absorb, but the difficulties of that era had more varied and deeper-seated causes than the after-effects of enlargement – notably the global economic downturn after 1973. Likewise, the first decade of this century witnessed an equally unjust tendency to blame many Community woes on the after-effects of the 2004 'big bang' enlargement. Indeed, one of the few positive outcomes of the euro crisis was to demonstrate that a number of well-established EU members faced more dire problems than the more recent members and that few of the ongoing difficulties could be attributed to the 12 newest member states. Nevertheless, the tendency to blame the most recent arrivals and the deep-rooted nature of the (highly questionable) conviction of an inescapable trade-off between 'deepening' and 'widening' had already been confirmed.

4 N. Piers Ludlow, *The European Community and the Crises of the 1960s: Negotiating the Gaullist Challenge* (London: Routledge, 2006).

5 Eirini Karamouzi, *Greece, the EEC and the Cold War, 1974-79* (Basingstoke: Palgrave Macmillan, 2014).

6 Raimundo Bassols, *España en Europa: historia de la adhesión a la CE 1957-85* (Madrid: Política Exterior, 1995), 237–48.

7 Council of Ministers Archives, Brussels (CMA), I/4/67 (GB2).

WHY ENLARGEMENT?

Why has the EC/EU continued to expand? If enlargement is painful, divisive and liable to clog up the workings of the EC/EU machine, why has it not been avoided? Providing answers is more easily done in terms of why countries have wished to join than in terms of why the majority of applicants eventually found their way in.

From the point of the view of the applicants, three broad categories of reasons explain why countries decided to apply. The first and most obvious is economic. The potential attraction of greater commercial access to an extensive and wealthy market such as the EC/EU is considerable; the cost of exclusion from that same market is correspondingly high. Such calculations (albeit centred overwhelmingly on the booming German market rather than on those of other potential partners) underpinned the original Dutch impulse to propose what would become the EEC, and have recurred in slightly different forms for every subsequent wave of countries contemplating EC/EU membership.⁸ The attractions of access and the potential costs of exclusion have become greater as the market has grown.

A related, but slightly different set of considerations comes into play for those countries whose potential exports include agricultural produce. Whereas EC/EU policy is comparatively liberal in many industrial sectors, affording fairly decent export opportunities even to those countries that chose to remain outside the EC/EU, it has been highly protective of the agricultural sector from the outset. The gap in commercial prospects between insiders and outsiders has been greater in agriculture than in most industrial sectors, increasing the incentives for potential agricultural exporters to join the EC/EU. The Danes and the Irish felt such pressures in 1973, as did all three Southern European applicants in the 1970s and some of the entrants in 2004. The British, meanwhile, had a different (but also CAP-related) incentive to enter the EEC due to their sincere belief that they would have a greater ability to alter a policy they had disliked and denounced from its inception once they entered the EC/EU.⁹

The promise of substantial subsidies poses another potential attraction. This too is something that evolved considerably over time. Direct subsidies were not a big consideration in the early EEC, as there was next to no internal financial redistribution system. A country like Ireland could perhaps aspire to some useful income from the CAP, but on the whole the prospects of direct budgetary transfers did not factor in the calculations underpinning the first wave of membership applications. Since the latter half of the 1980s, however, the sums available for redistributive purposes within the EC/EU have expanded considerably. As a result, the prospect of receiving substantial sums from the EC/EU budget has become a powerful reason to join for countries poorer than the European norm. This was strongly underlined throughout the 1990s by the disparity between the sums of money flowing from the Community budget to the countries of Central and Eastern Europe to the poorer existing member states (with the latter group receiving considerably more despite the fact that Greece, Spain, Portugal, southern Italy and Ireland all had a higher per capita wealth than most of the former Soviet bloc). The obvious lesson drawn from this somewhat perverse state of affairs was that it was better to be inside than outside the EC/EU.

A final set of economic calculations taken into consideration regards labour mobility. The expectations of several generations of applicants in this respect again echoed those of some of the founding members. Italy in particular was very conscious in the 1950s and 1960s of the potential benefits that might flow if the EEC facilitated the movement of unemployed workers to other parts of the Community.¹⁰ The potential gain, however, was not limited to the fact that once inside the EC/EU a country with high unemployment could encourage some of its surplus labour to migrate elsewhere in Europe. They also included the way in which

8 Alan S. Milward, *The European Rescue of the Nation-state* (London: Routledge, 2000).

9 Michael Franklin, *Joining the CAP: The Agricultural Negotiations for British Accession to the European Economic Community, 1961-1973* (Oxford: Peter Lang, 2010).

10 Simone A.W. Goedings, *Labor Migration in an Integrating Europe: National Migration Policies and the Free Movement of Workers, 1950-1968* (Den Haag: Sdu Uitgevers, 2005).

full EC/EU membership could improve the predicament of nationals who had already chosen to seek work elsewhere by improving their legal status, making it easier for their dependents to join them, facilitating their ability to transfer money and resources back home and providing them with full rights and benefits in their adopted country. After all, in most cases (and certainly in Italy, Greece, Spain and Portugal) emigration rates to the rest of Europe were higher prior to Community membership than few years afterwards, since membership helped bring about a strengthening of the domestic economy that stemmed the migratory flow. The position of those who did choose to remain abroad improved considerably with their new status as Community nationals. Italian or Greek *Gastarbeiter* in Germany thus faced a much stronger position, legally and practically after 1958 and 1981 (respectively) than they did before their home countries joined the EC/EU.

The second major category of factors includes geo-strategic calculations. Some of these had a Cold War dimension, although paradoxically more countries have turned to the EC/EU out of the belief that membership would give them additional protection vis-à-vis Moscow since the end of the Cold War than before 1990. Cold War security concerns and the question of Western alignment were considerations for both the Federal Republic of Germany and Italy, but fears of the Cold War threat do not appear to have represented a major consideration for any pre-1990 applicant. Since that time, however, Finland, the Baltic states and several countries in the former Soviet bloc have all been partly motivated by concerns regarding residual dangers to their east, whether in the form of a revived Russia or an unstable post-Soviet maelstrom. The Greeks perceived their security gains from Community membership as more related to the threat from Turkey than from the Soviet Union. In the British case, the security-related case for EEC membership had less to do with the direct threat from the Soviet Union than from the fear, particularly acute in the early 1960s, that exclusion from a more politically united Europe might result in its marginalisation from the transatlantic security dialogue central to the Western cause in the Cold War. By the late 1960s, this underlying concern was flanked, if not surpassed, by the more positive calculation that involvement in (or leadership of) a Europe that managed to get its act together on foreign policy coordination could act as a powerful countervailing influence to the UK's decline as a global player.¹¹ Both variants clearly demonstrate the degree to which Britain's decision to opt for EEC membership represented far more than just an economic decision.

The third category covers a rather diverse range of political considerations that have encouraged countries to apply to the EEC. Perhaps the most basic of these was the belief, felt strongly by the Southern European applicants of the 1970s, and the Central and Eastern European applicants two decades later, that EC/EU membership would underline their return to the European mainstream. For a country like Spain, once a major player in European power politics, but semi-ostracised and cut-off from many developments in post-1945 Western Europe by the authoritarian nature of General Franco's regime, entering the EEC marked the moment when this period of isolation came to an end and it resumed its rightful place within Western Europe.¹² Likewise, for many countries formerly trapped within the Soviet bloc, EU membership became the embodiment of the 'return to Europe' that their populations had called for when the communist regimes fell. Even a country like Austria, democratic and prosperous long before joining the EU, could regard membership as a formal end to an anomalous state of neutrality thrust upon it by the Cold War.¹³ In all three cases, the symbolism of joining 'Europe' became as important – and perhaps more important – than any of the tangible benefits that EC/EU membership could bring.

Slightly more concrete (although also involving a strong element of symbolic politics) has been the hope that EC/EU membership could help consolidate fledgling democratic systems within aspiring member states. Europeanisation could buttress democratisation in at least three ways. First, linking back to the economic factors referred to above, it could bring a degree of prosperity or the promise of future prosperity, which

11 Edward Heath, *Old World, New Horizons: Britain, Europe, and the Atlantic Alliance* (Cambridge: Harvard University Press, 1970).

12 Julio Crespo MacLennan, *Spain and the Process of European Integration, 1957-85* (Basingstoke: Palgrave Macmillan, 2000).

13 Michael Gehler and Rolf Steininger, eds. *Österreich und die europäische Integration: 1945-1993* (Köln: Böhlau, 1993).

would render a return to extremism less likely. Second, the target of EC/EU membership could provide a clear direction of travel (in recent times accompanied by an ever more explicit set of benchmarks and standards) for a country that might otherwise struggle to orient itself after throwing off a repressive regime. Third, the EC/EU included an element of conditionality in its promise of membership (implicit in the 1970s and early 1980s and more explicit since the early 1990s) that would provide a strong disincentive to diverge from the path of reform and democratisation. As several Central and Eastern European countries would discover in the course of the decade following the overthrow of Communist rule, any flirtation with undemocratic parties or leaders would result in raising a serious question mark about future EU membership.

A rather different political motivation proved critical to the decision to join by the former Cold War neutrals in the early 1990s. Sweden, Finland and Austria (not to mention Norway, which also applied but ultimately rejected membership) were all prosperous democracies with standards of living comparable, if not superior, to the EU norm. All four already enjoyed substantial access to the Single Market through the recently concluded European Economic Area (EEA) agreement. Yet, each was painfully aware that life on the edge of the EU (subject to its rules, but without the voice in Brussels decision-making that only full membership could bring) implied accepting that large amounts of its legislation would be determined by others who would not take Swedish, Finnish or Austrian concerns into account. Joining, as one Swedish diplomat put it, would thus bring to an end his country's status as 'a mail-box democracy'.¹⁴ Rather than a loss of sovereignty, it would constitute a gain.

THE DIFFICULTIES OF SAYING 'NO'

Why have existing member states acceded to the vast majority of membership requests submitted? After all, since 1958 they have only rejected one country (Morocco, largely on the grounds that it cannot be considered European) and have accepted 22 – and this took place despite the widespread grumbling and pessimistic predictions that accompanied virtually every single round of enlargement.

Part of the explanation has to do with the EC/EU's self-understanding as an entity designed to unify Europe. This has proven a constant feature of the integration process since 1950, regardless of the fact that only six countries, all confined to Western Europe, responded positively to Robert Schuman's invitation that year. From the very outset the six countries conceptualised their task as 'building Europe' and convinced others, notably the US, that this task was theirs to undertake. Their success in doing so, however, made it much harder for them to then turn around and deny entry to any other democratic European country economically advanced enough to cope with the integration process. General de Gaulle attempted precisely this, although his 14 January 1963 press conference rejecting UK membership tried to draw a contrast between continental Europeans and the UK, which by its geography, history, culture and international affiliations was *insulaire et maritime*. In effect, he suggested that the UK was not properly European.¹⁵ De Gaulle's attempt to exclude the UK faced such intense opposition and controversy that ultimately his vetoes and their aftermath underlined the near-impossibility of totally debarring a fellow European country from membership than contradicted it.

Another lesson of the 1960s battles over British membership, namely the potential divisiveness of struggles over enlargement, also encouraged a second trend that ultimately made it more likely for new countries to join. This trend was the tendency to resort to 'objective' criteria, whether economic or political, rather than make 'subjective' and contentious decisions on who did or did not belong. The instinctive reaction of both the member states and the Commission when confronted with membership applications became to say 'yes' provided the fulfilment of conditions x, y and z. As countless applicants have found, meeting such conditions

¹⁴ Comment made at a Centre for European Policy Studies seminar, 1994

¹⁵ Charles de Gaulle, *Discours et messages. 4. Pour l'effort. Août 1962 - Décembre 1965* (Paris: Plon, 1970), 61–75.

was not necessarily easy or painless. But the corollary of such an approach was it became impossible to say 'no' to a country that met the conditions (or at the very least had made substantial progress towards meeting them). The tactics adopted in response to enlargement applications thus combined with the fundamental nature of the EC/EU's self-identity to make the permanent rejection of other European countries extremely unlikely to occur.

It was also the case that many European statesmen, when faced with problems of transition (whether in the south of Europe in the 1970s or two decades later in the east), tended to make promises about eventual EC/EU membership that they later felt obliged to fulfil. This appears to have applied to both the Germans vis-à-vis the Spanish, and quite possibly to Giscard d'Estaing vis-à-vis Konstantinos Karamanlis, the Greek Prime Minister. Such promises only increased the pressure on the Community to deliver once the transition processes had advanced sufficiently. European statesmen also became aware that to snatch away the prize of membership from applicants could destabilise would-be members and jeopardise the whole democratisation process. Roy Jenkins, for instance, warned the European Council in October 1977 that 'the Commission believes that any reply which we might give to the candidate countries which rejected their applications, even implicitly or indirectly, would not be acceptable. A straight refusal would be a severe blow to the fragile democratic regimes which have emerged with the open encouragement of the Community and which are already to some extent dependent on us'.¹⁶

Finally, enlargement has developed a degree of momentum as it has progressed. Individual member states have no interest in finding themselves within a multilateral Community with a new partner whose application they may have opposed or delayed. Once a prospective candidacy gets to a point where actual entry becomes likely, a significant part of the opposition tends to soften and member states, particularly if they hold important offices, have instead found themselves competing to advance the enlargement dossier during their period in charge and engaging in declaratory diplomacy designed to convince themselves and their publics that further Community expansion will prove beneficial after all. This happened with Greece in the late 1970s, and it clearly also happened in the latter stages of the negotiations with the Central and Eastern European applicants in the early years of this century.¹⁷

CONCLUSION

The EC/EU has tended to expand regardless of the initial misgivings felt by many of its existing members. The process has often taken much longer and has proven more painful than the applicants expected. The thirteen years that elapsed between the first applications of the UK, Ireland and Denmark was followed by six years for Greece, nine for Portugal and Spain and over a decade for most of those who joined in 2004. The doubts and hesitations of insiders about the enlargement process have tended to manifest themselves in procrastination and delay rather than in outright refusal. Still, in most cases the process has resulted in membership, with the sole exceptions of Norway (whose own population twice decided against the offer of membership), Morocco (which had little plausible claim to be European) and Turkey (whose ambiguities have left the country in a state of limbo).

There is not much evidence that expansion has impeded the development of the EC/EU. In fact, the opposite is true. The development of new policy areas have been encouraged by the way in which new members have added their priorities and needs to those of the existing member states – financial redistribution, for instance, would not have developed as far as it has without the influx in 1973, 1981 and 1986 of a series of countries

¹⁶ European Commission Historical Archives, Statement by President Jenkins at the Council, Luxembourg, 18 October 1977.

¹⁷ Peter Ludlow, *The Making of the New Europe: The European Councils in Brussels and Copenhagen 2002* (Brussels: EuroComment, 2004).

substantially poorer than the Community norm. Also, new member states have obliged the EC/EU to give greater weight to areas of the world it previously tended to neglect. British membership vastly expanded the number and geographical spread of Community associates; Iberian membership reinforced ties with Latin America and Lusophone Africa; the entry of Central and Eastern European states compelled the Community to further develop its policy towards the regions beyond the enlarged EU's Eastern border. More importantly, enlargement has helped prevent any of the existing member states from deciding that Europe offers too little opportunity and from turning their gaze elsewhere. The significance of this point can perhaps be gauged by asking whether any of the original six countries – and Germany first and foremost – would be wholly content if their institutional and commercial ties remained confined to the five countries with whom they originally joined. That the answer is clearly 'no' is in itself the best retort to those who dwell excessively on the disadvantages that enlargement has supposedly brought and overlook its evident merits. ■

➤ The Greek Paradox

Eirini Karamouzi

In recent years, Greece's place in the EU has been ferociously debated as Athens' financial and economic woes continue to trouble the stability of the euro and rattle the Eurozone markets. Contemporary press and European political elites alike engage in a seemingly endless blame game over the political origins of the Greek financial crisis. The fact that former President of France Valéry Giscard d'Estaing, who was instrumental in welcoming Greece to the European Economic Community (EEC) in 1981, recently admitted that it was a mistake to support Greece's membership in a roundtable with Chancellor Helmut Schmidt, further rekindled interest in the story of Greece and Europe.¹ The focal point in what follows is Greece's accession to the EEC and in particular the political discourse that took place within the institutions of the European Community from June 1975, when Greece lodged its application, to February 1976, when the Council of Ministers accepted the Greek application without preconditions. In reconstructing the story of the Greek talks, this contribution will not follow a strictly national approach, examining the influence of domestic economic, political and social determinants in the development of Greece's European policy. Rather, the behaviour and attitudes of the member states towards the Greek enlargement will take centre stage in order to explore the deeper question of why the EU expands.²

END OF THE DICTATORSHIP

In June 1975, the EEC – before it had time to digest the effects of the first round of enlargement that made Britain, Denmark and Ireland full members in 1973 – faced the prospect of a second enlargement. On 12 June 1975, then-Prime Minister of Greece Konstantinos Karamanlis announced his intention to seek full membership as a lasting measure to protect the longevity of the country's democratic institutions. A military junta ruled Greece from 1967 to 1974, whose end came with the attempted Greek-sponsored *coup d'état* against the President of Cyprus, Archbishop Makarios and the subsequent double Turkish invasion of Cyprus.³ Confronted with the grave consequences of the Turkish invasion, the new leadership in Athens faced pressure to act. On the one hand, Karamanlis concluded that war against Turkey represented a highly dangerous option, as the seven years of the junta had left the Greek armed forces unprepared, inadequately equipped and in no position to declare war on Turkey. Moreover, reliance on the US and the Atlantic Alliance, as it had evolved since the end of the Second World War, had to be reduced (at least superficially) in the face of rapidly growing popular anti-Americanism. Although recent research has debunked the myth that the US green-lighted the coup that brought the often brutal junta to power, the majority of Greeks remained wedded to this idea.⁴ On the other hand, as long as Ankara remained the principal threat, isolating Greece from the US and NATO would only benefit the enemy.

1 'European Luminaries Reflect on Euro: "Seventeen Countries Were Far Too Many"', *Spiegel Online International*, 11 September 2012, <http://www.spiegel.de/international/europe/spiegel-interview-with-helmut-schmidt-and-valery-giscard-d-estaing-a-855127.html>.

2 Helene Sjursen, *Questioning EU enlargement. Europe in Search of Identity* (London: Routledge, 2007).

3 The first Turkish invasion took place on 20 July 1974, occupying three percent of the island. Another followed on 14-16 August 1974 where Turkey came to control 36 percent of Cyprus.

4 Louis Klarevas, 'Were the Eagle and the Phoenix Birds of a Feather? The United States and the Greek Coup of 1967', *Diplomatic History* 30 (June 2006): 471–508; Effie G. H. Pedaliu, 'Human Rights and Foreign Policy: Wilson and the Greek Dictators, 1967-1970', *Diplomacy and Statecraft* 18 (January 2007); Robert V. Keeley, *The Colonels' Coup and the American Embassy: A Diplomat's View of the Breakdown of Democracy in Cold War Greece* (University Park: Penn State Press, 2011).

In the face of this dilemma, the government performed a careful balancing act.⁵ On 14 August 1974, Karamanlis announced the country's withdrawal from NATO's integrated military structure, explaining years later that 'the withdrawal from NATO was not only justified but necessary. The fury of the Greek and Cypriot people was so great at that time that the only alternative would have been war'.⁶ The fact that during this very period Karamanlis turned to Europe has been widely interpreted as a search for a substitute for the US.⁷ However, records clearly show that in pursuing a European path and withdrawing from NATO, Karamanlis did not denounce the country's relationship with the US. Instead, he opted for a multilateral Greek foreign policy, signalling its disengagement from the monolithic approaches of the past. Multilateralism did not mean the end of the close relationship between Greece and the US.

In the immediate post-1974 era, however, the EEC was seen as the only appropriate forum where Greece could enhance its independence and restore its national confidence. The suspension of the Association Agreement of 1961 to the status of 'current administration' after the coup, coupled with the forced withdrawal from the Council of Europe in 1969, had contributed to the symbolic association between Europe and democracy in Greek eyes. Therefore, in marked contrast to the perceived American stance of indifference and tolerance towards the Colonels' rule, the EEC's use of diplomatic and economic weight helped undermine the legitimacy of the military dictatorship and thus catalyse the democratisation process. However, this should not imply that the EEC played a key role in the breakdown of authoritarian rule, which was in fact mainly precipitated by events external to the EEC.⁸ Rather, its role was most crucial in denying the regime legitimacy, and therefore emerging as an actor enjoying significant goodwill among Greece's new democratic leadership, especially during the critical year of transition from 1974 to 1975.

THE APPLICATION AND THREE MAIN PROBLEMS

European reactions to the early news of the Greek application were overwhelmingly positive. The Bonn government described Greece's decision to seek full membership of the EEC 'as a further demonstration of the unbroken power of attraction exercised by the process of European unification'.⁹ Formally, the Nine could not but welcome or at least accept the Greek application. There could have been no other reaction given the provisions of the Treaty of Rome and the Association Agreement.¹⁰

These official reactions, however, did not reflect the true feelings of the majority of the European governments when they received the news of Greece's application. In reality, the Commission and the member states were fully aware of the largely political reasons that led to Greece's early application – and although they publicly welcomed the request, they were much less enthusiastic in private.

This awkwardness owed much to the timing and nature of the Greek application. The fall of the three dictatorships in Southern Europe drastically changed the political landscape of the continent. Greece's application took the Nine by surprise, seemingly revealing that their Community had become a strong pole of attraction for Greece and its Southern European neighbours, and that they were expected to play an active role. Up until then, the Community had a mainly economic Mediterranean policy, consisting of preferential ties and Association Agreements with few political overtones.

5 John Iatrides, 'Greece and the United States: the Strained Partnership', in *Greece in the 1980s*, ed. Richard Clogg (New York: St. Martin's Press, 1983), 168.

6 Karamanlis' interview in *New York Times*, 27 May 1978.

7 Antonis Klapsis, 'From Dictatorship to Democracy: US-Greek relations at a Critical Turning Point, 1974-1975', *Mediterranean Quarterly* 22/1 (2011): 61-73.

8 The oil crisis of 1973, and mostly the Cyprus debacle.

9 Telegram by A. Frydas, Bonn, 14 June 1975, GRCKP 135A.

10 EEC Treaty, Article 237 reads: 'Any European State may apply to become a member of the Community. It shall address its application to the Council, which shall act unanimously after obtaining the opinion of the Commission', while the Athens Association Agreement (1961), Article 72 stipulates that 'as soon as the operation of this agreement had advanced far enough... the contracting parties shall examine the possibility of the accession of Greece to the EEC'.

To make matters worse, the application came during a period of deep economic crisis for the whole industrialised West, making it a less than opportune time for a new enlargement. The outbreak of war in the Middle East and the onset of OPEC's oil embargo helped bring about recession accompanied by high unemployment. In this economic downturn, the deepening of the Community suffered a major setback. The ambitious plan to complete an Economic and Monetary Union by 1980 became an early and inevitable victim of the international monetary crisis. Meanwhile, the European Political Cooperation (EPC) process, the Community's attempt to launch a coordinated European foreign policy, enjoyed several initial successes, especially in light of its effectiveness in the Conference for Security and Cooperation in Europe (CSCE) context, but did not manage to transform the Community into a credible global player.¹¹

The second and equally serious difficulty connected with Greece's application lay in the structural weaknesses of the Greek economy, which limited its ability to combine homogeneously with the economies of the Community. Although the Greek economy grew rapidly in the 1960s and early 1970s with the real level of GNP rising by 6 percent against the EEC's 4.5 percent, in 1975 the country faced severe trade deficits and a continuing depreciation of its currency that contributed to the persistence of the inflationary spiral.¹² These, coupled with the structure of the Greek economy, called for structural changes of which the Community would have to bear a share of the cost. In particular, Greece would, upon entry, become a substantial net recipient of funds from the Community budget. The largest single item would likely be payments from the Common Agricultural Policy (CAP)'s European Guarantee and Guidance Fund (usually known by its French acronym, FEOGA), which would be substantial in view of Greece's large agricultural sector.¹³

Furthermore, the agricultural potential and lower costs of Greece's production caused concern primarily to the French and Italians, who had similar agricultural produce and who already resented the Community's concessions to third countries under the global Mediterranean policy. Greek accession would thus likely impose additional costs in terms of compensation demands by Italy and France. Moreover, Greece's economic, as well as administrative backwardness would prevent its smooth absorption into the Community and necessitate an increase in the EEC's expenditure. These economic problems did not in themselves constitute an insurmountable obstacle, given the economic magnitude of the EEC compared to the applicant. The actual problem lay in the fact that existing member states saw the Greek application as a forerunner of the other two emerging Southern European democracies, namely Spain and Portugal.

If the economic and institutional implications were not already negative enough, Greece's entry also entailed the risk of embroiling the Community in the Greek-Turkish dispute. The two countries had recently reached the brink of war over a third EEC associate, Cyprus. Before 1975, the Community had striven to maintain a political balance between Greece and Turkey. Hence, in admitting Greece, the Community ran the risk of alienating the other strategically important country in the Eastern Mediterranean.

The Commission's lukewarm 'Opinion on the Greek application', submitted to the Council of Ministers on 29 January 1976 and made public at the time, encompassed all the fears and concerns of the Nine (but was never expressed in public or to the Greek government). Divided into two parts, the Opinion recommended a preparatory pre-accession period in addition to the normal transitional period to give Greece and the Community more time to adjust to one another. Therefore, the question at hand was not whether or not Greece should enter, but rather when and how it should. The Commission cited economic backwardness, political instability and turbulent relations with Turkey as reasons for encouraging the postponement of Greece's entry.¹⁴

11 Angela Romano, *From Détente in Europe, to European Détente. How the West Shaped the Helsinki CSCE* (Brussels: P.I.E. Peter Lang, 2009).

12 Loukas Tsoukalis, *The European Community*, 38.

13 Greece's Annual Review for 1975, Athens, 1 January 1976, WSG/1, FCO 9/2395.

14 European Commission, 'Enlargement of the Community: Conclusion', *Bulletin of the European Communities* 1/78.

WHY SAY YES?

In an unprecedented act, however, the Council unanimously rejected the Commission's Opinion two weeks after its submission. At a press conference at the end of the Council meeting, Prime Minister of Luxembourg Gaston Thorn said that 'for the nine delegations there could be no trial period or political considerations attached to Greece's accession'. He did not deny that a number of economic problems would have to be solved but 'answers would be found during the negotiations'.¹⁵ There is no dispute that the problems enumerated in the Opinion did indeed exist and caused a severe headache to the Nine. Why then did the Community say yes?

The contemporary press claimed that the lack of enthusiasm on the part of the Nine for Greek EEC entry was compensated by the fact that no one wanted to be seen as opposing it. *The Financial Times* wrote: 'If Greece becomes a member, it will be largely by default'.¹⁶ Indeed, Greek norm-based rhetorical strategy had made it difficult for any member state to incur the odium of asking for a delay or rebuffing the application, despite the evident awareness of the problems involved. Karamanlis had capitalised on the promises made to Greece by the Community during the 'freezing' of the Association Agreement and then again during the transition period, creating a dynamic in favour of relatively rapid Greek accession, in which democratic political considerations explicitly outweighed economic concerns. This line of argument concerning the Community's democratic obligation towards Greece was used not only as a central part of the Greek transition policy, but also as a convincing argument to persuade the Community to make a positive decision on the opening of the negotiations.

This shaming strategy, known as a rhetorical entrapment, was extensively used in the Eastern European enlargement. Frank Schimmelfennig convincingly argues:

In the institutional environment of the European Union, the supporters of enlargement were able to justify their preferences on the grounds of the Community's traditional pan-European orientation and its liberal constructive values and norms and to shame the 'brakemen' into acquiescing in enlargement. In other words, the brakemen were rhetorically entrapped...the crucial element in this shaming strategy was the argument that the EU failed to honour past commitments, match words and deeds, and treat outside countries consistently.¹⁷

In the Greek case, however, the shaming strategy was a novel approach and proved convincing only because of the evolution of the Community's perception of itself in the 1970s. Besides the economic and institutional problems, there were ongoing talks about the future of the Community. Indeed, 'defining Europe' had become an important issue for the EEC by the 1970s. Just a few years prior to the official Greek application, there had been an attempt to give European integration a more explicitly political dimension. In December 1973, the *Document on European Identity* was published in order to 'help the EC countries define their relations with other countries, as well as their place in world affairs'.¹⁸ The search for identity culminated with the Tindemans Report, published in January 1976 – just a few days before the Commission issued its opinion on Greece. Leo Tindemans, the Belgian Prime Minister had been asked to compile an overview of the EEC, with the aim of working out a common concept of an EU. According to the report, the Community 'had lost its guiding light, namely the political consensus between our countries on our reasons for undertaking the joint task'.¹⁹ The Community had a pressing need to find a new *raison d'être* to move forward with European integration. The pursuit of peace and stability, as declared in the Treaties of Rome, was considered achieved by the 1970s.

¹⁵ European Commission, 'Position Adopted by the Council', *Bulletin of the European Communities* 1/76.

¹⁶ 'Towards a New Identity', *The Financial Times*, 12 February 1976.

¹⁷ Frank Schimmelfennig and Ulrich Sedelmeier, eds., *The Politics of European Union Enlargement. Theoretical Approaches* (London: Routledge, 2005), 166.

¹⁸ Ine Megens, 'The December 1973 Declaration on European Identity', in *Beyond the Customs Union: The European Community's Quest for Deepening, Widening and Completion, 1967-1975*, ed. Jan van der Harst (Brussels: Bruylant, 2007), 317-340.

¹⁹ Leo Tindemans, 'European Union: Report by Mr Leo Tindemans to the European Council', *Bulletin of the European Communities* 1/76.

Democracy emerged as a feature in the Community's political discourse in the early 1960s. The European Parliament was the first European political actor to raise this issue, through the Birkelbach Report of 1962, which discussed the Community's political identity as protector of democracy in relation to enlargement. The Commission and the Council, however, did not embrace the concept wholeheartedly at the time.²⁰ The debate on the role of democracy within the political identity of the Community came back to the fore in 1967 with the Colonels' coup in Greece, but it was mainly during the fall of the three dictatorships in Portugal, Greece and Spain (and Greece's subsequent application for EEC membership) that it became rather prominent among the Nine. The prospect of enlargement was considered an ideal occasion to make a crucial statement about the Community's *finalité politique*. In early 1976, German Foreign Minister Hans-Dietrich Genscher commented that the decision to welcome the poor southern countries illustrated that 'Europe had emerged from the stage of an economic community, today being a political community'²¹, while British Foreign Secretary Anthony Crosland described 'enlargement as an investment in the democratic future of Europe' and predicted that in the long run the benefits would outweigh the costs.²²

In other words, the aim of promoting peace, once the central legitimating strategy for moving forward with the process of European integration, was now complemented by the Community's obligation to promote democratic ideals.²³ The perception of Greece as the 'cradle of democracy' further cemented the process. Indeed, the French President attached great importance to Greece's deeply European identity as a contribution to the Community's own European nature. Following the end of negotiations, Giscard characteristically described Greece's entry as a 'return to the roots', later admitting in his memoirs that 'it was impossible to exclude Greece, the mother of all democracies, from Europe'.²⁴ In this sense, the discourse on the Greek application played directly in the contemporary identity debate within the Community.²⁵ There could have been no better case study than Greece to implement this, and Karamanlis hugely capitalised on these merits in his contacts with his fellow European leaders, explaining how the democratic obligation provided the fundamental rationale for accepting the Greek application.

COLD WAR IMPERATIVES

Idealism no doubt played a significant role in the decision to enlarge. The 'rhetorical' account of enlargement must be placed in proper perspective given that the Cold War environment dictated the inter-relation of democratic stability and security concerns.²⁶ It was convenient to employ rhetorical idealism when measurable geopolitical benefits pushed the policy in similar directions. Indeed, the question of Greece's EEC membership was also framed in strategic Cold War terms. The threat to Western security stemming from Greece's withdrawal from NATO's integrated command and the country's unstable domestic political situation in the aftermath of the Cyprus debacle loomed large in Europe's mind. Moreover, Greece did not represent an isolated case in the European scene: a few months earlier the 'Carnation Revolution' wiped out Caetano's dictatorship in Portugal and Franco's dictatorship seemed near to its end. Last but not least, Italy's internal situation also caused concern for Western leaders. The country was beset by social turmoil, economic crisis and political instability, and it seemed likely that the Italian Communist Party would come to power via elections. Overall, by the mid-1970s one could see rising threats to Western interests in the southern part of Europe.

20 Charles Powell, 'The Long Road to Europe: Spain and the European Community, 1957-1986', paper presented at the conference *From Rome to Berlin, 1957-2007*, Madrid, June 19-20 2007.

21 Quoted in Thomas Derungs, 'The Integration of a Different Europe. The European Community's Enlargement to the South and Evolving Concept of the Civilian Power', in *The Two Europes. Proceedings of the Third Annual RICHIE Conference*, Brussels, 2009.

22 Note by S. Roussos, London, 2 October 1976, GRCKP 139A.

23 F. X. Ortoli, address at the Ninth General Report on the Activities of the European Communities, Brussels, 10 February 1976.

24 Serge Bernstein and Jean-François Sirinelli, *Les années Giscard. Valéry Giscard d'Estaing et l'Europe, 1974-1981* (Paris: Armand Colin, 2007), 135.

25 Susannah Verney, 'Justifying the Second Enlargement: Promoting Interests, Supporting Democracy or Returning to the Roots?' in *Enlargement and the Nature of the Euro-Policy*, ed. Helen Sjursen (London: Routledge, 2006), 19-43.

26 Geoffrey Pridham, *Designing Democracy. EU Enlargement and Regime Change in Post-Communist Europe* (Basingstoke: Palgrave, 2005), 29-35.

All of these helped exacerbate the already difficult strategic outlook of the Mediterranean region. In contrast to the period from the late 1940s to the mid-1960s, when the Mediterranean was considered 'an American lake' symbolised by the sixth fleet and an impressive complex of air and sea support, the 1970s witnessed a decline in the military dominance of allied forces in Southern Europe, coupled with increased Soviet naval presence.²⁷ To make matters worse, the trauma of Vietnam and Watergate had limited the power of the presidency, with Congress becoming more assertive and clipping the foreign policy wings of the President and the Secretary of State. The Ford Administration no longer enjoyed the same flexibility and latitude in foreign affairs, which added an unexpected complexity to the conduct of US international policy. The Turkish embargo and the halting of aid to Vietnam represented the victory of Congress over a weak president.²⁸

In a period when there was a relative diminution of US influence in Southern Europe in the form of the extreme anti-Americanism that was sweeping the region, and understanding the volatile situation of the northern tier of the Mediterranean, the Americans looked to their European allies for help. By using the joint instruments of trade concessions, financial assistance and ultimate closer association leading to membership, the Europeans discovered the constructive effect they could have in promoting stability and political moderation in the Mediterranean's northern tier. In contrast to the failed attempts to engage effectively in the Middle Eastern peace process, the Europeans played a successful part in their own backyard. This part, in full agreement with the Americans and buttressing the US's military role, consisted in offering economic and political support to the newly established Southern European governments.

CONCLUSION

Although it appeared unwise to many at the time (and indeed for decades to come and much more in the current crisis), the decision to admit Greece was a momentous event that has had a direct bearing on the story of enlargement for two main reasons. First, in welcoming a relatively poor, recently democratised country, 'Europe' became more than simply a Western club.²⁹ The prospect of the Greek accession saw the emergence within the Community of a new sense of utility of enlargement. In a period when the Community was attempting to establish a European identity, the second enlargement involving the newly-emerged Greek democracy and the debate it generated significantly affected the EEC's self-perception as a promoter of democracy. Crucially, after citing this justification, it created expectations for future conduct and became a reference point for subsequent enlargements.

Second, and more importantly, the Greek accession talks constituted an episode during the course of which the Community discovered its power as a stabilising factor in a crisis. Few of the European Community's policies have seen their importance increase as spectacularly over the past three decades as enlargement. More recently, practitioners and commentators have praised enlargement as the EU's most powerful foreign policy tool.³⁰ However, this was hardly taken for granted in the 1970s. In giving the green light to Greece's bid for membership, the Nine set out on a path that eventually led to far-reaching changes in the whole nature of the Community as an international actor. Thirty years later, it is perhaps hard to recapture the danger seemed of instability in Greece and possible war with Turkey (in addition to the fears of spreading the contagion to neighbouring Spain, Portugal and Italy). In the mid-1970s, however, this sense of crisis was very real. The highly important political decision to accept Greece and support Karamanlis in the midst of an intense crisis, apart from leading to the Community's second enlargement, added to the EEC's collective weight on the world stage.

27 Milan Vego, 'Soviet and Russian Penetration Strategy in the Mediterranean Since 1945', in *Naval Policy and strategy in the Mediterranean: Past, Present and Future*, ed. John Hatterdorf (London: Frank Cass, 2000), 164.

28 Richard C. Company Jr., *Turkey and the United States. The Arms Embargo Period* (London: Praeger, 1986), 65.

29 Peter Ludlow, *The Making of the New Europe. The European Councils in Brussels and Copenhagen 2002*, European Council Commentary, Belgium, 2004.

30 Ulrich Sedelmeier, 'Enlargement. From Rules for Accession to a Policy Towards Europe', in *Policy-Making in the European Union*, eds. Hellen Wallace et al (Oxford: Oxford University Press, 2010), 403.

The decision to grant Greece EEC membership was therefore completely conscious. The Community's planning clearly involved political and strategic reasons. The problem with these realisations on the part of the EEC, however, was that they lacked a long-term policy. The Nine had substantial reasons to say 'yes' at that specific moment in time. Nonetheless, they had no discussions concerning the future. The Community never really devoted much time to explaining how it would reconcile the threat to its economic interests and internal cohesion with the geostrategic and identity-related considerations that had encouraged Greek accession. At the end of the day, the Nine's leaders were politicians, ready to only address the present in order to survive politically. As with other European policies, commitment to the objective of enlargement was facilitated by the expectation that it would not have to be honoured for a long time. Is this approach finally catching up with Europe? ■

➤ Reconditioning the 'Return to Europe': The Influence of Spanish Accession in Shaping the EU's Eastern Enlargement Process

Cristina Blanco Sío-López

The EU's 2004 'big bang' enlargement increased the diversity and complexity of its membership, bringing in states from Central, Eastern and South Eastern Europe. Many key actors have increasingly viewed enlargement as an integral part of EU development and as the most successful foreign policy tool for promoting EU stability.¹ Yet, a growing sense of enlargement fatigue resulting from the policy's structural overload and the EU's financial crisis has strained the prospect of future accession for new member states and brought about the perennial dilemma of widening versus deepening. This perception of stalemate and lack of grand strategy stems from the fact that enlargement policy initially served as a very precise response to the inner challenges of the geopolitical paradigm of the Cold War. In this respect, the study of the Spanish accession to the EC/EU, which took place during a challenging period for Southern Europe in which the dictatorships of Greece, Portugal and Spain simultaneously fell, can help clarify the evolving Cold War and European integration environment and factors of the 1970s.² Spain's road to EEC membership, which gained momentum in 1977 and reached a successful conclusion in 1986, can shed light on the EU's 2004 negotiations with the Central and Eastern Europe countries (CEECs). Indeed, Spain's EC accession strongly resonates with the CEECs' cases not only in terms of shared characteristics (for example, the democratisation process and adjustment of economic relations), but also in terms of the complexity and the consequences that these accessions posed to the EU. Both cases also share a collective perception of recovering a 'natural Europeanness' via a 'rectifying revolution'³ and a sense of returning to a supposedly original and forcibly-denied starting point. This historical perspective, which covers enlargement in the Cold War and in the post-Cold War era, can help reveal the evolution of the mechanisms of enlargement and its impact on European integration.

1 See Karen E. Smith, *European Union Foreign Policy in a Changing World*, 2nd Edition (Cambridge: Polity Press, 2009).

2 Desmond Dinan, *Europe Recast: A History of European Union* (Basingstoke: Palgrave Macmillan, 2004).

3 Jürgen Habermas, 'What Does Socialism Mean Today? The Rectifying Revolution and the Need for New Thinking on the Left', *New Left Review* 1/183 (September-October 1990): 3-21.

TRANSITIONS AND ACCESSIONS: PARALLEL AND EVOLUTIONS OF EU ENLARGEMENT CRITERIA

The conditions for membership and the procedures for accession evolved alongside the priority issues of the Cold War (particularly between 1973 and 1989), and they continue to do so in the present post-Cold War setting as enlargement remains central to the European agenda. The evolution of enlargement criteria, initially created to tackle the British 'conditional application' of 1961, began with the Greek, Spanish and Portuguese accessions. These accessions marked the first time that the EC had to take into account the changing status of prospective members from long-established democratic and market economies to recently democratised and economically disadvantaged states.⁴ It comes as no surprise, therefore, that the negotiating process applied in Spain's EC talks served as a reference for the post-1989 rounds of enlargement, as cited by various European Commission officials in charge of designing the new EU enlargement strategy of that period.⁵ Echoing this sentiment, numerous academic publications regarding the CEECs' accession have shed light on the importance of a comparative analysis with Spain.⁶ There is a particular wealth of such analysis regarding the case of Poland.⁷ Like Warsaw, Madrid aspired to EC/EU membership as a de-peripheralisation device to consolidate its newly emerged democratic system and carry economic modernisation forward.⁸ In Spain, the transition to democracy was closely linked to accession.⁹ Spain's political parties and general public unanimously endorsed the country's EEC membership, which added legitimacy to Spain's new civilian power. During the accession negotiations, Spain's political leadership actively sought to underpin the country's strategic 'return to Europe' by requesting to join the Council of Europe. Spaniards viewed this as a symbolic endorsement of the re-emerging democracy. The political leadership then concentrated its efforts on NATO. In contrast to the unanimous endorsement of EEC membership, NATO was highly contested across the Spanish political spectrum even after Spain's eventual entry in May 1982.¹⁰ Similarly, CEECs' prospective accession to the EU enhanced the legitimacy of the new political elites, who rediscovered initiatives of CEECs' Europeanists in exile¹¹ and upheld a willingness to transform the Cold War narrative of 'captive nations' into a renewed acknowledgement of their neglected 'Europeanness'.¹² Besides its symbolic purpose, the quest to reintegrate Western regional and international organisations served to expedite socioeconomic transformations and political and legal reforms that would consolidate harmony and end a long period of isolation.

Spain's decision to apply for EC membership in 1977 posed serious questions surrounding the issue of conditionality within the EC's enlargement policy. Responding to the needs of dependent applicants that could not aspire to a rapid membership without rebuffing them politically presented the EC with its biggest challenge. To further complicate matters, the Spanish application arrived at a time when the EC lacked any form of institutionalisation of the accession criteria. The accession process at the time was an informal application of political and economic conditions based on trial and error. The enlargement criteria of Southern Europe had more political than economic overtones given the fragile state of the region's recently-emerged democracies.¹³ Conversely (and taking place after the formal introduction of the 1993 Copenhagen criteria), Eastern Europe underwent a more standardised yet lengthier process that did not overlook economic and administrative

4 Manuel Marín, Interview with the author, Madrid, 13 April 2010.

5 Director of the Directorate B in charge of Candidate Countries, Directorate General for Enlargement, European Commission, Interview with the author, Brussels, 1 December 2005.

6 See Lorena Ruano, *The Common Agricultural Policy and the European Union's Enlargement to Eastern and Central Europe: A Comparison with the Spanish Case*, RSCAS Working Paper, 2003.

7 See Eugeniusz Górski, *O demokracji w Hiszpanii (1975-1995)*, (Warszawa: Wydawnictwo Instytutu Filozofii i Socjologii PAN, 1997); Tadeusz Miłkowski, Paweł Machcewicz, *Historia Hiszpanii*, (Wrocław: Zakład Narodowy imienia Ossolińskich-Wydawnictwo, 2009).

8 Bronisław Geremek, CVCE Interview, Brussels, 11 June 2008, http://www.cvce.eu/obj/interview_with_bronislaw_geremek_the_spanish_example_for_the_democratic_transition_in_poland_brussels_11_june_2008-en-c7563770-7e51-409a-8b0e-35f02fecb287.html.

9 José María Gil-Robles, Interview with the author, Madrid, 9 March 2010, <http://www.cvce.eu/histoire-orale/unit-content/-/unit/9e7a54b0-4f4d-467a-abc-f5d3307b0f9b6/71657078-37ba-4061-94fc-d5cbea7d997>.

10 Felipe González, *Mi Idea de Europa* (Barcelona: RBA, 2010).

11 European Movement. *CEECs Commission: Resolutions*, 20-24 January 1952, HADOC, 2027. HAEU.

12 Mouvement Européen. Section PECOs, *Notes sommaires sur la réunion constitutive de la Section d'Études des Pays de l'Est*, Strasbourg, 17 August 1949. ME-875. HAEU.

13 MAE, Leg. 12557, Exp. 60(E)77-1 'CEE 1977 Trabajos Preparatorios y negociaciones para la adhesión de España a las Comunidades Europeas. Curso de Negociación (1)', 28 March 1977.

considerations for the sake of political ones. For instance, after the guarantee of legal transposability by the Madrid European Council Presidency Conclusions in 1995, the CEECs received the supplementary demand to adjust administrative capacity and judicial structures.

The EC prospective accession acted as an incentive for the consolidation of internal reforms in the applicant countries. In Spain, the prospect of EEC membership merely reinforced endogenous reform strategies. However, the EU's mechanisms of stimulus were nonetheless manifest in the CEECs' 'return to Europe' (even more so after the EU established formal procedures of monitoring).

The enhanced role of the Commission since the end of the Cold War also helps to explain the growing formalisation of conditionality. Since the early 1990s, the Commission has led developments in the enlargement sphere,¹⁴ not only in coordinating aid to the CEECs (for example, PHARE), but also in negotiating the EC's accession agreements with the CEECs.¹⁵ The introduction of a series of new instruments (regular reports, monitoring and screening) successively boosted the Commission's role in following the internal reform of applicant states more closely. The heterogeneity of candidate countries' profiles signing the Europe agreements in the 1990s, especially when the notion of a 'big bang' enlargement became an option, also explains the concentration of competencies in one single EC institution.

The issue of democratic promotion as part of the EC's emerging political identity was one of the most significant debates that took place during the Spanish accession, and it had a lasting impact on the redefinition of the EU accession criteria in the 1990s. Indeed, the idea of a *Declaration on Democracy* amongst the Nine arose in the context of discussing enlargement.¹⁶ Since the applicants contended that EC membership would help them consolidate their regained democratic systems, it seemed reasonable to seize the opportunity to make a declaration on the fundamental principles of the EC. They aimed to put the EC's commitment to democratic principles on record, which could then echo in the Acts of Accession of the new member states. Regression hazard – the fear of the regime's relapse to an authoritarian past despite positive signs to the contrary – posed another risk. The risk of democratic overturn became visible during the attempted *coup d'état* in Spain in February 1981.¹⁷ The *Declaration on Democracy*, adopted at the European Council of 7-8 April 1978, directly addressed this risk as it sought to safeguard democracy in EC member states from a return to any possible authoritarian trend. The text of the declaration drew heavily on the *Declaration on European Identity* published by the Foreign Ministers of the Nine in Copenhagen in 1973. It also made references to the EC's *Joint Declaration on Fundamental Rights* adopted under the UK's Presidency on 5 April 1977—most significantly it included the final paragraph that declared 'that respect for and maintenance of representative democracy and human rights in each member state are indispensable for membership of the European Communities'.¹⁸ Although the Declaration stopped short of offering definitions of democratic rule or proposals for implementing proper democratic practices, this crucial *Declaration on Democracy* in the context of the Mediterranean enlargement explicitly refers to what later became one of the main Copenhagen criteria.¹⁹

14 Christopher Hill, *The Actors in Europe's Foreign Policy* (London: Routledge, 1996), 142.

15 As Hill shows, a key decision was taken during the Western European Summit Meeting in Paris in July 1989 that gave the Commission the role of coordinator of the international assistance programme to Poland and Hungary, extended in 1990s to the other CEECs as the so-called PHARE programme. This created a novel type of legitimacy for the Commission based on a mandate from outside the Community. Afterwards, the Commission was also allocated the task of negotiating the Community's agreements with the CEECs, which conferred the added value of greater political significance in Europe and beyond. These tasks also determined the reunification of Germany via the automatic integration of the former GDR in the EC and the negotiation of Europe Agreements with candidate countries formerly under communist rule, conferring on the Commission immense shaping power of the future relations of future member states with the Community.

16 *Declaration on Democracy*, Copenhagen, European Council, 8 April 1978, http://www.european-council.europa.eu/media/854616/copenhagen_april_1978_eng_.pdf.

17 Fernando Rodrigo, 'Western Alignment. Spain's Security Policy', in *Democratic Spain: Reshaping External Relations in a Changing World*, eds. Gillespie, Richard et al. (London: Routledge, 1995), 54-56; Charles Powell, *España en Democracia, 1975-2000* (Barcelona: Plaza Janés, 2001).

18 Meeting of COREPER, Brussels, 22 March 1978, MWE04/8, 63D, UKFCO 30/3874.

19 Eirini Karamouzi, *Greece, the EEC and the Cold War, 1974-79* (Basingstoke: Palgrave Macmillan, 2014).

External actors carefully observed regression hazards in this context, constituting another point of convergence in EC enlargement experiences: third-country interventions and their influence in reconditioning candidate countries' 'return to Europe'. Indeed, there was a significant debate on the influence of the US in Spain's parallel democratic transition and accession negotiations, especially on a direct initiative of the US Congress for the promotion of democratisation in the 1970s.²⁰ In the case of Eastern enlargement, the promoters of the 'Europe Conference' in 1997—created to bring EU member states and candidate countries closer via a multilateral forum for political consultation—similarly emphasised the need to keep US authorities informed of its evolution following the professedly common objectives of the 'New Transatlantic Partnership and Transatlantic Action Plan'.²¹ This influence also extended to the forging of the 'safe haven for the outs' concept and affected the redrafting of EU enlargement slogans, which changed to 'peace, prosperity, progress and predictability' in the aftermath of 9/11.²² Earlier on, once it had become clear to the Commission that setting up mere uncompromising Association Agreements with applicant states after the collapse of the Soviet Union did not serve the interest of long-term stability, Eastern enlargement policy was seen as a way to bring the CEECs closer to the EU in order to counterbalance 'an excessive American influence in the region'.²³

TRANSFER AND RE-ADJUSTMENT IN ENLARGEMENT POLICY CHALLENGES

The Spanish and Central and Eastern European cases illustrate not only the evolution of practices in the functioning of enlargement policy, but also the maintenance of mechanics too heavily dependent on specific contextual factors, like that of a very particular Cold War setting. Since the first enlargement, the EC has set up a defensive structure that protects the existing member states more than the applicants. As Lorena Ruano suggests, 'setting up the procedure for negotiating, with Britain resulted in a creation of a complex, bilateral, multilevel process inside the Community while the applicant and its interests were relegated to the sidelines'.²⁴ The EC's constraints on recasting its own previous bargains presented the most obvious obstacle in Spanish-EEC talks, especially in the dismantling of tariffs, the application of the common agricultural policy and value added tax and the free movement of goods and persons. France proved particularly important with regard to EC member states' reticence to Spanish accession, as it adopted an obstructionist policy during the Spanish accession negotiations (especially over the agriculture and fisheries dossiers). As the date of the presidential elections approached in 1981, France, originally a proponent of extending the Community towards the Mediterranean, was on the brink of presenting the most obdurate opposition to expanding the boundaries of the Community.²⁵ Denmark threatened to issue a complaint against the 1970 EC trade agreement with Spain if the latter did not adapt to the new Community resulting from the 1973 enlargement.²⁶ This demand for adaptation once again raised the issue of how widening could cause insurmountable imbalances for the deepening of the Community and therefore block its absorption capacity. This issue arose again in the 2004 EU enlargement during discussions of the establishment of transition periods, especially for labour migration and for environmental policy adaptation. In this respect, it serves to note that the fear of massive labour migration from Spain had been mitigated by the fact that it had already happened in the decade of the 1960s.²⁷ The CEECs' outgoing migration during and after the Eastern enlargement process also contrasted with Spain's great incoming labour migration in the mid-1970s. This influenced the recreation of the model of industrial relations of European Western democracies and served as an initial catalyst for incoming foreign direct investment and external trade.

20 Samuel P. Huntington, *The Third Wave. Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1992).

21 Gerd Tebbel, *The European Conference. A Safe-Haven for the Outs?* DG IA-SCEPTRE/GT D (98), European Commission. Brussels, 15 September 1998.

22 Romano Prodi, President of the European Commission, Speech to the European Parliament, Strasbourg, 13 November 2001.

23 Director of the Negotiations and Pre-accession Directorate of the Directorate General for Enlargement, Interview with the author, Brussels, 2 February 2004.

24 Lorena Ruano, 'Origins and Implications of the European Union's Enlargement Negotiations Procedure' RSC NO 62 (2002): 38.

25 Roy Jenkins, *European Diary, 1977-1981* (London: Collins, 1989), 199-200.

26 MAE, Leg. 15573, Exp 60 (E) 73-5/1976-2, *Texto secreto adjunto al despacho del Embajador Ullastres al Director General de Relaciones Económicas Internacionales del MAE*, Raimundo Bassols, 22 October 1976.

27 Directorate General for Enlargement, Interview with the author, Brussels, 1 December 2005, op. cit.

THE NEW SETTINGS: CONTEXTUAL IMPERATIVES AND ENLARGEMENT POLICY INNOVATIONS

Taking into account these considerations, it is clear that the architects of Eastern enlargement in the Commission incorporated some (albeit not all) of the lessons of the EC's Southern enlargement. Nevertheless, some unique features of Eastern enlargement had a high degree of innovation imposed by a context of radical structural changes in global geopolitical terms and by the emergence of the new information-age mindset. As Manuel Marín indicated:

At the beginning of the 1990s key players started to talk about the 'peace dividends' and to say that we were entering a new era, that the future would be completely different...It seemed as if we had managed to find a solution for planet Earth. The old system of Cold War international relations disappeared, the old disputes were replaced, but we realised that the former ideological confrontation was becoming a conflict of identity.²⁸

This new identity conflict also related to the new conception of enlargement policy as a legitimating strategy in the midst of a primal debate on the EU's alleged 'democratic deficit', which was linked to the demands for increased transparency as a democratic quality indicator for EU governance. Against this backdrop, public opinion perception management became a major concern that differentiated the 2004 enlargement talks from previous Community enlargements. With all the simultaneous widening and deepening dynamics in motion (such as the consolidation of a single market, new foundational treaties and plans for a monetary union that never became an economic one), there was a corresponding need to innovate via the creation of a new Directorate General for Enlargement with a dedicated Commissioner since 1999 and of an emergent 'Communication Strategy on Enlargement'. It also serves to note that an economic union could only survive with a technocratic elite of believers in an integration project, while an increasingly political union could only survive with the direct support of its citizens. The contextual detachment of the 'Communication Strategy on Enlargement', consisting of attempts to transmit the ethos of the fall of the Berlin Wall presented it with its greatest challenge, whilst the duration of the accession negotiations made it impossible to maintain its momentum. The shift in interest of contemporary EU audiences, increasingly immersed in the upcoming urgencies of a stagnating economic model, additionally complicated the matter.

One must also take into account the paradox of the Commission privileging internal communication and debate when it enjoyed an extraordinarily important foreign policy and enlargement monitoring role at the beginning of the 1990s (at which time many of the officials in charge of this policy had links to past diplomatic positions in the CEECs). In contrast, when the Commission did have a major role in the advent of enlargement implementation in 2004, the responsibility of creating political messages and explanations regarding enlargement gradually went to public relations companies,²⁹ which launched a series of information campaigns that never achieved a two-way communication impact. Another cause of cumulative fatigue, beyond Schimmelfennig's premise of 'rhetorical entrapment',³⁰ could be the difficulty in delimitating the axiological contours of the European integration process and in specifying the Community's eventual final frontiers. The instrumental responses to these fundamental questions make it even harder to consolidate a 'pan-European' identity absent a top-down institutional creation where historical turning points are discursively and politically generated. Such an identity would result in enlargement being lived as an invisible historical turning point.

28 Manuel Marín, Interview with the author, Madrid, 13 April 2010.

29 Ogilvy Public Relations Worldwide, Report commanded by DG Enlargement. *Impact Assessment of Calls for Proposals as Implementation Tools of the Enlargement Communication Strategy. Executive Summary*, 10 December 2005.

30 Frank Schimmelfennig, 'The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union' *International Organization*, 55/1 (2001): 47-80.

CONCLUSION

On top of the factors discussed, the invisibility effect of the EU's successive enlargements depends on the degree of actual transformation in the new member states, which should imply an opening of commonly extended socioeconomic opportunities and a real democratisation of their political cultures. These changes should wash off the pervasive residue of conventionalised corruption and anti-democratic abuse of previous dictatorships.

Conversely, a key question arises: how can the EU make a goal-oriented policy—implying an increasingly technical methodology and precise conditionality criteria—compatible with a longed-for collective dream of inclusion, recognition, welfare and reconciliation? Indeed, this is the appeal of the EU's widening for any potential candidate country and its population. An even more challenging premise arises in this respect: how can the EU reconcile club logic with the guarantee of eradicating instrumental inner discriminations and any notion of second-class citizenship? In other words, how can it prevent reinforced harmonisation, via the adoption of the *acquis communautaire* and the incorporation of standardised Community practices, to become a vehicle for a more direct exploitation of formerly incompatible (and thus not fully profitable) third countries and regions? Last but not least, it serves to acknowledge the EU's challenging task of articulating the complexity and heterogeneity of successively incorporated multilevel players through the European integration process, progressively transforming conflict into cooperation.

In conclusion, considering that EU enlargement policy has thus far focused on responding to the open questions related to the re-articulation of the geopolitical, social, and mental settings inherited by the Cold War and its uncertain aftermath, it is understandable that the same formula would prove difficult to apply to any reality beyond this framework. Once the 'return to Europe' agenda is exhausted, a need will arise for a new meaningful and compelling driving force for the EU's external dimension and for the definition of its role in the global arena. Perhaps it could be the notion of 'community' itself. Above all, the EU can function as a political and economic community, a community of laws, principles and norms. It can be a community of interests, but it is also a community of values and of common, interactive memories capable of binding key players to the implementation of mutual solidarity, to the aspiration of a shared inclusive identity and to the enhancement of coordinated international cooperation and integration. ■

➤ Does Eastern Europe Still Exist?¹

Anne Applebaum

The term 'Eastern Europe' is too often used as a geographical term, but it is not. It is a political term, and one that belongs to a particular historical period. Properly speaking, it refers to the nations that were dominated by Soviet-style communism between 1945 and 1989. Sometimes, it also refers to the nations that formed part of the Soviet Union after 1917 or 1918 – at least those considered European and not Asian. Either way, the term is misleading because it refers to a region that was never politically, culturally or ethnically homogenous. Its inhabitants were Catholic, Greek-Catholic, Russian Orthodox, Romanian Orthodox, Lutheran, Baptist, Jewish and Muslim. They spoke Slavic, Romance, Finno-Ugric, Baltic and Germanic languages. They lived in cosmopolitan cities like Berlin, and they lived in isolated rural communities without electricity or running water. They belonged to a wide variety of former empires, such as the Polish-Lithuanian Commonwealth, the Ottoman Empire, Prussia and Czarist Russia.

Between 1945 and 1989, this otherwise disparate group of European nations did nevertheless have quite a lot in common. Some of the resemblance was superficial: posters with hammers and sickles, May Day parades and identikit airlines that served poison instead of coffee. However, some of the resemblance was serious. They all had to contend with a legacy of bad economic decisions: the nationalisation of industry, central planning, a state-dominated retail sector, fixed prices, fixed exchange rates and import-export controls. It is incorrect to assume, as many do, that the fundamental nature of communist economics significantly differed in Hungary, Slovakia, Armenia or Albania.²

Since the fall of the Berlin Wall, the nations of what was once called Eastern Europe have taken very different directions. The economist Anders Åslund argues that despite some of the theoretical debates that took place, individual countries could in practice only take three economic paths after the break-up of the Soviet empire.¹³ They could (like Poland, the Czech Republic, Slovakia, Hungary and the Baltic states) choose the path of radical reform, leading to liberal democratic capitalism. They could (like Russia, Ukraine, Armenia, Moldova and Kazakhstan) become rent-seeking states and crony capitalist societies whose businessmen make money through a symbiotic relationship with corrupt state bureaucrats rather than through economic competition. Or they could (like Turkmenistan and Belarus) re-establish state despotism and swap the language of Marx for nationalism and new cults of personality.

Of course, these are not clean divisions. Romania and Bulgaria started out with crony capitalism, but became more liberal over time and joined the EU in 2007. Russia started out with some of the most radical reforms in the region, but lapsed into crony capitalism when the reforms stopped. Yugoslavia broke up in to parts, and each part took a different path and struggled with the civil war.

The point is that there was not – and is not – anything else. No country in the region selected a happy path between communism and capitalism, because no such path existed; there was no Third Way. The countries that attempted a 'kinder' and more 'gradualist' transition simply got stuck with more corruption. If their business elites learned how to make money from controlled prices, export controls or state sales of natural resources – and if those business elites took over politics – they made crony capitalism permanent.

¹ This contribution is based on a lecture sponsored by LSE IDEAS.

² See David Turnock, *The East European Economy in Context. Communism and Transition* (London: Routledge, 1997).

³ See Anders Åslund, *How Capitalism Was Built: The Transformation of Central and Eastern Europe, Russia, the Caucasus, and Central Asia* (London: Cambridge University Press, 2012).

THE TRANSITION TO DEMOCRACY IN POST-COMMUNIST EUROPE

Few of the successes and failures were predictable or predicted. In 1990, nobody guessed that Estonia would become a mini-tiger, or that a cabal of billionaires would rule Russia. Nobody imagined Poland as a more stable member of the EU than Hungary. On the contrary, the predictions for Poland, with its spotty history of democracy and one of the worst-performing economies in the region at the time, were overwhelmingly negative. In 1990, one writer in *Foreign Affairs* opined that a rapid transition to capitalism would produce 'instability' in Poland, because Polish democracy would prompt the return to power of a 1930s-style right-wing mob.⁴

As it turned out, a country's immediate pre-war history did not necessarily predict its post-1989 success – and neither did its religion, geography or size. When examined closely, neither the alleged Catholic-Protestant divide nor the mythical 'Asiatic' cult of the dictator stands up to scrutiny. If religion is so important, why has Catholic-Protestant Hungary fallen into such a funk lately? If geography is so important, why has post-communist Mongolia become such a roaring economic success? Neither can the once-profound divisions between East and West Germany be explained away so simply.

What, then, led to success or failure? Why did some countries manage to carry out radical reforms while others did not? As it turned out, a few historical experiences mattered a good deal, but not necessarily the ones pointed out in 1990. For example, it made a big difference whether a country had been dominated by Soviet-style communism for 40 years or for 70 years. A clear line divides the region into two camps: those countries that formed part of the Soviet bloc from 1918 and those that did so from 1945. This line not only separates the old Warsaw Pact bloc from the Soviet Union, but also puts the Baltic states and Western Ukraine on one side and Russia and Eastern Ukraine on the other. In other words, this line lay between societies that still contained people who were brought up with pre-Soviet values and people who were not.

There was also a difference between those countries that had an active opposition movement in the 1970s and 1980s (or at least an active and self-organising civil society) and those that did not. Slovenly and inefficient dictators like General Jaruzelski of Poland produced more active citizens than those who still used terror to suppress their critics in 1988 and 1989, like Nicolae Ceaușescu.⁵

This points to the single most important factor in determining whether a given post-communist country succeeded or failed in its transition to liberal capitalism: the existence or absence of an alternative elite. By alternative elite, I mean something specific – not just a few economists, but a larger class or group of people who had worked together in the past, who had adopted an alternative set of values and who, by 1989 or 1990, were at least somewhat prepared for government.

In Poland, an alternative elite existed for several reasons: because memories of a pre-communist past were recent enough to be real; because of a national tradition of resistance, most recently against Nazi occupation, but historically against the Russian and Prussian empires; because the Polish economy was so full of holes that black marketeers (small capitalists) could operate freely and because borders were relatively open so that these black marketeers could trade; because those relatively open borders meant that people knew how life was lived in the western half of Europe; because the Polish Catholic Church was not destroyed and could thus provide both an alternative source of values and a physical space for opposition to meet; because Cardinal Wojtyła was elected Pope John Paul II and drew mass crowds during his trip to Poland in 1979. One could make similar lists for Hungary, East Germany and even Lithuania and Estonia. Some of these contributing factors might be connected to a country's particular historical destiny, culture and location; some of them were accidents.

4 See Abraham Brumberg, 'Poland: The Demise of Communism', *Foreign Affairs*, 69/1.

5 See Sorin Antohi and Vladimir Tismaneanu, eds. *Between Past and Future: The Revolutions of 1989 and their Aftermath* (Budapest: CEU Press, 2000).

The existence of an alternative elite was important, but it was even more important for the alternative elite to have a clear sense of direction. There was never any doubt about this direction in the case of the central Europeans. When working as a journalist in the region in 1989 and 1990, I heard people repeatedly stating their desire 'to be normal'. 'Normal' in 1989 and 1990 meant Western European: Western European democracy and capitalism, Western European welfare state, Western European political parties and Western European media. There was no desire for experimentation. The debate rested on the question: 'do we move faster towards Europe or do we move slower towards Europe?' Those who moved faster avoided being stuck halfway.

It was also very important that the new rulers of the new democracies had thought, at least to some degree, about what they wanted to do before they arrived. All through the 1980s, Polish, Czech and Hungarian economists had been holding informal meetings to discuss how it might be possible to someday privatise and decentralise their economies. These were pipe dreams at the time: all of the conversations were theoretical, and this particular group of economists was considered somewhat bizarre and perhaps rather fringe. But they were ready when they suddenly and unexpectedly got the opportunity to carry out their plans. Leszek Balcerowicz, Poland's first finance minister, was one of them; Václav Klaus, until recently the Czech president, was another. This readiness resulted from the fact that all of them had a clear sense of direction. Where do we want to go? Western Europe. How do we want to get there? Fast.

The precise techniques proved less important. In particular, the exact method of privatisation, although a central topic of debate and discussion at the time, was ultimately not nearly as important as the speed with which privatisation took place and the perceived fairness of the process. Various types of privatisations, such as voucher privatisation and stock market, could work as long as they took place more or less transparently.⁶ No one was happy with the privatisation process in one's country, but ultimately the most unhappy were the ones who did not do it at all.

There is one more element to add to the picture. Whoever took charge in 1990 had to understand the need for a radical break with the past. Former communists, such as Ion Iliescu (president of Romania in 1990), generally proved worse at understanding this than former opposition leaders, such as Tadeusz Mazowiecki (prime minister of Poland in that same year). It also helped if whoever took charge did so in an atmosphere of serious crisis. Poland in 1990 faced a rapid deterioration. Hungary, in contrast, did not face such a grave situation, and successive Hungarian governments only felt the need to make a few adjustments.

Consequently, Hungary has never managed to shake its addiction to borrowing and budget deficits. Even worse, Hungarians seem sunk in a perpetual gloom. A close Hungarian friend, when confronted with the imminent Eurozone crisis, threw his hands up and lamented 'why is it that every club we join immediately falls apart?'

EASTERN EUROPE AND THE FINANCIAL CRISIS

There is another side to this story. Although impossible to predict in 1989, Eastern Europe has in many cases survived the financial storm better than Western Europe. Indeed, the West could learn lessons in economic management from the East. I pointed this out at a conference in Vienna to a crowd that listened indulgently, but apparently unbelievably as it fired mocking questions afterwards. I had established the fact that Eastern Europe as a meaningful political concept had disappeared, and that the countries of what used to be Eastern Europe have gone their separate ways. Whilst everyone nodded, they did not draw the obvious conclusions.

⁶ See David Lane and Martin Myant, eds. *Varieties of Capitalism in Post-Communist Countries* (New York: Palgrave Macmillan, 2007).

This is hardly surprising. In Austria, as in the UK, the notion of 'Eastern Europe' lives on as a kind of prejudice. When newspapers use the expression 'Eastern European', it is usually code for backward, primitive and possibly criminal. Murder suspects are often described as having 'Eastern European accents' – as if a Latin language like Romanian or a Slavic language like Bulgarian sound alike. There is also a tendency, especially in the UK, to group Eastern Europeans into one of two categories: Romanian and Bulgarian labourers, whom one prefers to keep out of the country because they might work harder than the natives, and Russian oligarchs, for whom all doors are opened and to whom everything is for sale.

That kind of prejudice makes it more difficult for the western half of the European continent to draw lessons from what we used to refer to as 'the East'. It is also foolishly short-sighted: within Europe several countries managed to turn utterly disastrous economies around, evade the temptations of the far-right and the far-left and carry out major structural and political reforms during periods of political tumult. Better yet, one or two countries recently repeated this feat for a second time, during one of the worst international banking crises in recent memory.

It is worth looking more closely at the very instructive comparison between Latvia and Greece. In the wake of the 2008 crash, the Latvian government slashed public spending, fired a third of its civil servants and reduced salaries of those remaining while refusing to inflate the currency. The country's GDP declined dramatically, falling over 20 percent in two years. Yet as Latvia's economy plunged in 2009 and 2010, there were no strikes, no protests and no fury: the Latvians, occupied by others for so long, see economic viability as a matter of life and death and as a key component of national sovereignty. Not only did the country accept the need for a change of course, it also re-elected the prime minister who imposed it. This prompted Latvia's recovery: since 2011, GDP has been growing at more than five percent and the budget deficit has fallen dramatically.⁷

In contrast, relatively smaller budget cuts in Greece have led to a GDP decline of 18 percent as well as strikes and riots since the crisis began.⁸ The Greeks have voted their politicians out of office more than once, shown increased support for a fascist party to compete with the already existing far-left parties and thrown petrol bombs at banks. There are some technical explanations for the differences. Budget cuts were applied differently in Greece and Latvia. The Latvians hit bureaucrats hard, but pensioners less so. Perhaps more importantly, they also made the biggest cuts right away. As they learned in 1990, drawing out a crisis creates more pain over time. The Greeks made cuts slowly and failed to convince their public or creditors of their commitment. They protected bureaucrats, but made pensioners suffer. People and capital continue to flee the country, and although the crisis has stabilised it has not been resolved. In short, uncertainty persists.

Political explanations also account for the differences. Latvian politicians explained the real reason for the cuts to their fellow citizens and reminded them of the need to preserve national sovereignty. In contrast, none of the Greek parties have found a way to persuade Greek voters of the need to change their way of thinking. Instead, anti-German rhetoric is at an all-time high.

Why have the Greeks not tried to learn earnestly from the Latvians, as the Latvians once tried to learn earnestly from the French or the British? I suspect the explanation lies in the misleading term 'Eastern Europe', in its connotations of backwardness and crime. So let us abolish the term – or rather, confine it to history. Eastern Europe, in the old sense, no longer exists. ■

7 'Real GDP growth rate – volume', *Eurostat*, 14 June 2013, <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcod=e=tec00115>.

8 Ibid

➤ Enlargement Fatigue and its Impact on the Enlargement Process in the Western Balkans

John O' Brennan

The protracted economic crisis which has enveloped the Eurozone since 2008 has thrown the very survival of the EU into doubt. The EU has begun to cannibalise itself in the exhaustive effort to save the single currency, putting at risk some of the extraordinary gains made by the world's most successful collective governance system. Chief amongst these gains has been the transformation wrought on the continent by the successive enlargements of the EU. Eastern enlargement, through the so-called 'big bang' of 2004 and the later 'coda' accessions of Bulgaria and Romania, brought the number of member states to 27. This increased to 28 when Croatia joined on 1 July 2013.

The EU is now not only a direct neighbour of the Western Balkans, but also the most important economic, political and geopolitical actor in South Eastern Europe. Using the different templates employed in designing the successful eastern enlargement policy, the EU is now engaged in a similar process of negotiations with the Western Balkan states. The EU-Western Balkans Summit meeting at Thessaloniki in June 2003 affirmed that 'the EU reiterates its unequivocal support to the European perspective of the Western Balkan countries. The future of the Balkans is within the European Union'. This 'European Perspective' is thus meant to lead to membership and full incorporation in the institutional and policy regimes of the EU.¹ Despite its economic woes, the EU still aims to act as a lodestar for the countries of the region as they recover from the conflicts of the 1990s and seek integration. Indeed, just as a 'return to Europe' took place in the countries of Central and Eastern Europe in the 1990s, the EU's gravitational pull has proven key in the reconstitution of the economic, political and civic life of the Western Balkan region over the past decade.

The European Commission manages the EU enlargement process. Within this policy domain (and its 'antechamber' regime, the Stabilisation and Association Process), the EU seeks to promote and police an intense 'Europeanisation' strategy for enlargement candidate states. This strategy aims to 'modernise', 'democratise', 'pluralise' and transform the most fragile part of Europe and progressively connect it to the mainstream landscape of EU politics and the norms of European integration.

However, the EU's deep economic crisis and exhaustive introspection has had a pronouncedly detrimental impact on the progress of enlargement-related reform in the Western Balkans. The crisis has had an impact at both the national level (on the appetite for and capacity to implement EU-related reform measures) and at the EU level (where 'enlargement fatigue' has gone from a mere discursive presence in the policy-making arena to a determinative part of enlargement politics). Indeed, the contagion from the Eurozone has reached so deep that Dimitar Bechev argues that we now have a crisis of the 'periphery of the periphery'. The catastrophic experiences of Greece, Portugal and Spain have relegated

¹ See: European Commission, *Communication from the Commission to the Council and the European Parliament: the Western Balkans and European Integration*, Brussels: 21 May 2003, COM (2003) 285. The Thessaloniki 'promise' was reiterated at the EU-Western Balkans ministerial meeting at Sarajevo on 2 June 2010, where the EU provided 'an unequivocal commitment to the European perspective of the Western Balkans' and re-iterated that 'the future of the Western Balkans lies in the EU'.

those states to the status of the traumatised periphery within the existing EU constellation. The Western Balkans now constitutes an outer ring of that marginalised and discredited zone of governance failure, and is viewed through similar lenses in Brussels and the 'north'.² The enlargement process, viewed as functionally problematic and increasingly difficult for the EU prior to 2008, is now on 'life support' and 'flatlining' along a trajectory of 'frozen negotiating chapters' and (despite the promise made at Thessaloniki a decade ago) mutual mistrust toward an increasingly uncertain destination. 'Progress reports' can be just as easily read as 'stagnation reports'.³ This is the case even after the Croatian accession.

This contribution analyses the causes, scale and significance of EU 'enlargement fatigue', and how it has influenced the course of the current accession and SAP negotiations between the EU and the Western Balkan states. In its 2013 'Enlargement Strategy Paper', the European Commission pointed to the successful accession of Croatia, the start of accession negotiations with Montenegro in June and the opening of accession negotiations with Serbia as indicative of how the EU delivers on its commitments once countries meet membership conditions. It equally asserted that these demonstrate 'the transformative power and stabilising effect of the enlargement process and the EU's soft power'.⁴ This positive assessment of developments within enlargement policy sits very uneasily with the significant evidence of enlargement fatigue and a clear lack of momentum in negotiations.⁵

ENLARGEMENT FATIGUE – DEFINING A CONCEPT

Although 'enlargement fatigue' is frequently identified wholly and exclusively with the current accession round, it seems clear that similar patterns and impulses were evident throughout EU enlargement history. From the earliest days of the European Communities, the relationship between potential 'widening' and 'deepening' of the 'club' led to heated debate. France twice rejected the membership bid of the UK in the 1960s. De Gaulle worried not just about the geopolitical re-configuration implied by British accession to the Communities, but also about the *finalité* of the European integration process itself in the wake of an expansion of the original club of six. In 1977, François Mitterrand explicitly expressed his reluctance towards the idea of Greek and Spanish membership just as the EEC consolidated its first enlargement.⁶ Doubts about the desirability of an eastern enlargement and in particular its potentially destabilising impact on existing integration patterns frequently aired in the 1990s and early 2000s.⁷

Enlargement fatigue only properly entered the European political lexicon in the wake of the dramatic failures of the French and Dutch referenda on the Constitutional Treaty in 2005. The shock represented by the rejection of these twin referendums called for scapegoats, and the recently completed 'big bang' enlargement – symbolised by the ubiquitous presence in 'old' member states of the 'Polish Plumber' – seemed like a good place to begin explaining the public rejection of the European project. Similar arguments came up in Ireland after the defeat of the Lisbon Treaty referendum in 2008. In all three cases, post-referendum opinion polling conclusively demonstrated that enlargement hardly featured in the voting calculus of voters.⁸

2 Dimitar Bechev, 'The Periphery of the Periphery: The Western Balkans and the Euro Crisis', *ECFR Policy Brief*, European Council on Foreign Relations, August 2012.

3 Steven Blockmans, 'The Prize is More Peace: The EU Should Consolidate its Enlargement Process', *CEPS Commentary*, Centre for European Policy Studies, 8 November 2012.

4 European Commission, 'Enlargement Strategy and Main Challenges 2013-2014', Communication from the Commission to the European Parliament and the Council, COM (2013) 700 final, Brussels, 16 October 2013.

5 Philip Cunliffe, 'Suffering from the Eurocrisis and Enlargement Fatigue, the EU's Influence on Serbia and Kosovo is on the Wane', *LSE Blogs*, 23 November 2012.

6 Anna Szolucha, 'The EU and Enlargement Fatigue: Why has the European Union not Been Able to Counter Enlargement Fatigue?', *Journal of Contemporary European Research* 6/1 (2010): 6.

7 See: 'Eastern Europe 'Threatens to Destabilise EC'', *Financial Times*, 7 November 1990; 'Brussels Keeps the Gates to the East Shut', *Financial Times*, 16 November 1995; 'EU Braced for Enlargement War', *Financial Times*, 14 July 1997; 'War of Words Erupts over Enlargement', *European Voice*, 23-29 March 2000.

8 A Special Eurobarometer Survey in 2005 found that only 6 percent of Dutch voters and only 3 percent of French voters cited enlargement as a reason to reject the Constitutional Treaty. The Flash Eurobarometer survey of Irish voters in June 2008 similarly ranked enlargement near the bottom of voters' concerns.

Nevertheless, the various issues connected to 'fatigue' gained increasing prominence in media coverage of the EU, and this gradually began to seep into real world political assessments of the merits of further expansion. Anna Szolucha defines the phenomenon as 'hesitance or unwillingness to grant EU membership to new states as expressed in the interplay of 'wideners' and 'deepeners' in the context of an upcoming or just finalised enlargement round'.⁹ Whether invoked within the member states or at the EU level, and pertaining to a desire either to slow down or completely halt EU enlargement, the opinion usually expresses wholly negative views of expansion and alleges a fundamentally negative correlation between the widening and deepening impulses. Scepticism and suspicion confront aspiring member states as they seek to transpose and implement the corpus of EU legislation in advance of membership.

Enlargement reluctance surfaced long before the EU's economic crisis set in. The European Commission's approach to candidate and potential candidate countries became 'short term and managerial' and demonstrated 'neither a vision, nor the motivating force' that had made eastern enlargement possible.¹⁰ Other commentators asserted that, for the sake of its future progress and internal stability, the EU could not afford the accession of any more institutionally weak ex-Communist East European States.¹¹ The 'old' member states made increasing calls to limit further enlargement, at least until the Lisbon Treaty provided the institutional means to cope with additional members. Another manifestation of the phenomenon was evident in the increased moves to 'protect' the national interest by introducing the possibility of future referenda on further accessions to the EU.

'CREEPING NATIONALISATION'

The Western Balkan applicants have also had to contend with a process now managed more intensively on an intergovernmental basis from Brussels than eastern enlargement, and that at times depended on the bilateral demands of incumbent states. The crisis has weakened the European Commission's relative power within the EU institutional system and boosted that of the European Council and the member states. Enlargement politics is characterised by a complex division of labour (internally) between the EU institutions. The Commission plays a central bureaucratic role in the enlargement process, but this is balanced by the (territorial) input of both the Council and the (representative) functions of the European Parliament. Still, the Commission has been the pre-eminent actor within enlargement politics since taking on the responsibility for the newly democratising states from Central and Eastern Europe in the early 1990s.¹² Enlargement was traditionally viewed as a space where national interests would be more readily set aside than in conventional EU settings: the normative dimension of the process laid claim to a more community-oriented approach to decision-making. But now that approach has to contend with a much more muscular intergovernmentalism and the sometimes naked pursuit of national interest by self-regarding national actors within the Council. Enlargement is now more easily politicised in the domestic arena where political parties with a populist, Eurosceptic bent can harness otherwise inchoate discontent to 'strengthen European citizens' uneasiness about the potential consequences of further EU widening'.¹³

9 Anna Szolucha, op. cit., 6.

10 Othon Anastasakis, 'From Fatigue to Insignificance: Eurozone Crisis and Enlargement', Paper presented at ELIAMEP's 9th European Seminar, Poros, 21-4 June 2012

11 See: 'Romania, Bulgaria and the European Union: We're Off on a European Odyssey', *The Economist*, 28 September 2006; 'Post-Enlargement Stress', *The Economist*, 8 November 2007.

12 John O' Brennan, *The Eastern Enlargement of the European Union* (London: Routledge: 2006).

13 Rosa Balfour and Corina Stratulat, 'The Enlargement of the European Union', EPC Discussion Paper, Brussels, 10 December 2012; http://www.epc.eu/documents/uploads/pub_3176_enlargement_of_the_eu.pdf.

The multilateral and more or less pluralist framework of enlargement conditionality championed by the Commission now has to deal with sometimes uncompromising nationalist and particularistic member state demands. The weakened influence of the Commission has carried through from the larger integration process to the enlargement domain, and it has encouraged some member states to insert bilateral conditions that would have previously been deemed inappropriate. The Council, rather than the Commission, is increasingly setting the 'benchmarks' for delineating progress in accession talks, thus largely determining the pace at which negotiations proceed.¹⁴ This more latent intergovernmentalist mode of enlargement decision-making was already evident as Slovenia made maritime territorial demands of Croatia and in the Greek objections to FYROM's name. When Albania submitted its membership application in 2009, Germany indicated that it would wait for the formal approval of the Bundestag before asking the Commission for an opinion on Albania's application. In December 2011, the Council delayed its response to Serbia's membership application until March 2012, requesting Serbia to further substantiate and fulfil its conditions.¹⁵ All these examples indicate the extent to which the enlargement process has been removed from its own internal, rational and normative decision-making space and subjected to overt and dangerous politicisation.

THE SHADOW OF ACCESSIONS PAST AND THE EROSION OF THE 'CONVERGENCE NARRATIVE'

Enlargement fatigue moved from the shadows to the mainstream of enlargement debates after the 2007 accessions of Bulgaria and Romania. The most common charge presented thereafter was that neither country had adequately prepared for membership on accession and that membership has done little to change the fundamental problems of governance and state capacity. The leverage of the EU has produced significantly less reform than in other jurisdictions, and the impulse toward reform has actually gone into reverse in some spheres.¹⁶ One shocking dataset reveals that the minimum wage in Bulgaria in 2013 was about 30 percent less than in China and below the rate in Indonesia, Malaysia, the Philippines and Thailand.¹⁷ Despite six years of post-accession 'supervision' via the so-called 'Cooperation and Verification Mechanism' (CVM), both countries seem to grapple just as much with issues of corruption and state capture as they did on accession in 2007. The CVM represents a novel instrument in enlargement governance, and it has extended EU oversight of reform measures well beyond the accession date.¹⁸

The Western Balkan states suffer from their geographical proximity to Bulgaria and Romania and from an intellectual understanding of the Balkans as a unified region thought to have a distinct 'cultural mentality', one that demonstrates an uncommon attachment to corruption and rent-seeking behaviour amongst highly clientelistic networks of local power.¹⁹ This variant of the enlargement fatigue argument poses the question: how can we expect the EU engagement with the Western Balkans to produce better outcomes if Bulgaria and Romania, considered the most advanced countries in the region, have so demonstrably failed to honour their EU commitments?

14 Ibid.

15 Ibid. In June 2013, at Germany's insistence, the European Council's offer to open membership talks with Serbia was made conditional on the progress made on improving relations with Kosovo further.

16 The mass protests that took place in Bulgaria in early 2013 and led to the resignation of the Boiko Borisov-led administration were in large part a reflection of frustration at the failure to improve Bulgaria's governance and regulatory capacity (although also about the persistence of chronic poverty and rising prices). Romania's troublesome record on accommodating democratic pluralism also indicates a failure to internalise EU norms. See: John O' Brennan, 'Bulgarians Confront the Oligarchs', *Open Democracy*, 25 June 2013.

17 See: 'Salaries in Bulgaria Lower than China – Study', *Novinite.com*, 16 July 2013, http://www.novinite.com/view_news.php?id=152058

18 See: Aneta B. Spendzharova and Milada Ana Vachudova, 'Catching up? Consolidating Liberal Democracy in Bulgaria and Romania after Accession', *West European Politics* 35/1 (2012): 39-58.

19 See Tanja. A. Börzel, 'When Europeanisation Hits Limited Statehood: the Western Balkans as a Testcase for The Transformative Power of Europe', KFG Working Paper, September 2011, http://userpage.fu-berlin.de/kfgeu/kfgwp/wpseries/WorkingPaperKFG_30.pdf; John O'Brennan, 'The Spirit of Protest in Brazil and Turkey has Now Swept into Bulgaria', *The Guardian*, 30 June 2013.

The Greek imbroglia has further reinforced the image of the Balkans as the 'soft underbelly of Europe', a region where multiple and varied 'local difficulties' have a habit of mutating into trans-European problems. The bursting of the Greek EU bubble dealt a serious blow to the enlargement narrative as one of sustained convergence, EU-driven modernisation and increasing prosperity. As Dimitar Bechev puts it:

Greece was one of the region's models; a quintessentially Balkan country that had made the grade from rags to riches, from underdevelopment and marginality to prosperity under the star-studded EU flag... Now, however, Greece is a warning about the perils of Europeanisation without deeper transformation'.²⁰

In the popular European consciousness, the Balkans remains a region of great fragility, defined by inter-ethnic contestation for territory and power, mutually antagonistic nationalisms, incomplete state formation, deep and pervasive patterns of corruption and endemic economic mismanagement. EU officials still speak of 'Europe' as the wonder drug that will cure any and all Balkan pathologies. But the financial and economic crisis has considerably altered this 'logic'. Rather than acting as an agent of stability and practical reform, the EU now represents an arc of instability – and the Western Balkan states, like others on the periphery of Europe, have got caught in the crossfire.²¹

THE SHADOW OF THE PRESENT – THE EU ECONOMIC CRISIS

The Western Balkan region is already highly integrated into the EU economy. Indeed, in the decade prior to 2009, it experienced a considerable rise in living standards as it recovered from war and rode the broader European economic boom. However, much of this advance was consumption-based as credit expanded annually by as much as 25 percent, making the region susceptible to exogenous economic shocks.²²

The region demonstrates a particularly strong interdependence with Greece and, as Ritsa Panagiotou demonstrates in a recent article, the Greek crisis has had a visible impact in multiple dimensions – whether in reduced or negative Western Balkan growth rates, in the regression in the appetite and capacity for implementing EU-related reform measures or in vital social dimensions of life.²³ The Western Balkan countries 'have been sucked into the vortex of Greece's unravelling economy' with 'far-reaching social and geopolitical implications' that impact the entire region. After five consecutive years of recession, Greek GDP collapsed by more than 20 percent and official unemployment reached 27.4 percent in 2013, with youth unemployment running at almost twice that figure.²⁴ Contagion from the global economic crisis had weakened the Western Balkans even before the 2011 Greek crisis. Between 2008 and 2011, all countries in the region experienced a contracting GDP, falling industrial output, rising unemployment, declining (but volatile) rates of Foreign Direct Investment (FDI), growing current account and trade deficits and a significant decline in diaspora remittances.²⁵ Albania, Montenegro and Serbia face high levels of public debt, sizeable budget deficits and large current account deficits.²⁶ The number of IMF programmes in the region declined from 12 between 1994 and 1997 to three in 2007. By 2008, only Albania still depended on IMF aid, and that programme finished

20 Dimitar Bechev, op. cit.

21 Ibid.

22 Ibid.

23 Ritsa Panagiotou, 'The Greek Crisis as a Crisis of EU Enlargement: How Will the Western Balkans be Affected?' *Journal of Southeast European and Blacksea Studies* 13/1(2013): 89.

24 'Greek Q1 Unemployment jumps to 27.4%', *Reuters*, 15 June 2013.

25 Ritsa Panagiotou, op. cit., 91.

26 Dimitar Bechev, op. cit.

at the end of that year.²⁷ The crisis, however, has brought the IMF back to the region in no uncertain style. Serbia, FYROM and BiH all had to ask for assistance.²⁸ Unemployment has continued to rise, averaging 21 percent across the Western Balkans, but much higher in BiH, Serbia, FYROM and Kosovo.²⁹

The contagion from the Greek imbroglia has impacted three particular areas: trade, banking and remittances. Trade relations with Greece are especially important for Albania, FYROM and Montenegro, whose exports to Greece account for between 12 and 16 percent of the total. Almost 4,000 Greek companies have invested in the region, helping create about 200,000 jobs. Greek FDI has been particularly important for Albania, Serbia and FYROM. In 2008, Greek FDI accounted for 34 percent of total investments in Albania, about 17 percent in FYROM and 15 percent in Serbia.³⁰ Greek investments took place in a wide variety of areas including banking and financial services, telecommunications, food and beverage, banking, and pharmaceuticals. Greek FDI began to decline before 2011: Greek investment in Serbia for 2008 and 2009 amounted to €46 million, well below the total of €336 million for 2007 alone. Overall, even by 2010, Greek dis-investment had cost the region around €1.6 billion³¹

A second effect of the Greek crisis is the drastic reduction in the amount of remittances flowing back to the countries of the Western Balkans from their diaspora communities. The Greek unemployment catastrophe has placed migrant workers in great jeopardy and Albanian, Bulgarian and other Balkan workers have fallen victim to the economic collapse. A large number of migrant workers have returned to their home countries causing further increases in unemployment and have placed unwelcome pressure on fragile social systems already struggling to cope with the fall in domestic demand. A decline in remittances also has a 'negative effect on the countries' foreign currency holdings, medium-term budgetary planning and the financing of their current account deficit'.³² For most of its post-Communist history, the Albanian economy has been the most dependent on remittances in the region. Approximately 600,000 Albanians lived and worked in Greece before the crisis, and remittances of about €650 million (or about eight percent of GDP) came from Greece in 2009.³³ The collapse of the Greek construction sector, which employed large number of Albanians, had a particularly striking impact at the micro level (i.e., on family budgets) and the macro level (i.e., on Albanian government revenues).

Lastly, the Greek crisis has produced negative effects on the Western Balkans in the area of banking and financial services. The Greek banking sector is the leading EU player in the Western Balkans with a market share of around 30 percent in Bulgaria and FYROM, 25 percent in Albania and 15 percent in Serbia. Together with Italian banks they control a little under half of the sector in the Western Balkans.³⁴ The seven major Greek banks including National Bank of Greece, EFG Eurobank, Pireaus and Alpha Bank have established a network of around 20 subsidiaries in the region and employ approximately 23,500 people. Greek banks that benefitted from a €28 million bailout in 2009 were instructed to use the money to exclusively support domestic lending, which left the subsidiary branches without a vital lifeline as credit dried up.³⁵

One should also point out that the weakening of Greece within the EU has led to the loss of the most effective advocate on behalf of Western Balkan accessions. The Thessaloniki promise in 2003 demonstrated the extent to which Greece had become the 'ambassador for the Western Balkans within the EU'. Indeed, Pangiantou suggests that Greece made Western Balkan accession to the EU the 'cornerstone of its foreign policy' around this time. Its 'Agenda 2014' aimed to achieve accession for all the Western Balkan states by

27 Ritsa Panagiotou, *op. cit.*, 91.

28 *Ibid.*

29 European Commission, 2012, 9.

30 *Ibid.*, 93.

31 *Ibid.*

32 *Ibid.*

33 *Ibid.*

34 Dimitar Bechev, *op. cit.*, 5; Ritsa Panagiotou, *op. cit.*, 94.

35 *Ibid.*

2014 (the anniversary as it happens of the outbreak of the First World War in Sarajevo) as part of a plan to promote peace, prosperity, security and democratic consolidation in the region. Now, hugely indebted and traumatised by the turmoil created by austerity, 'Greece's days as a regional champion are well and truly over'.³⁶ Greece 'no longer has the clout, the prestige or the capacity to play the role of the champion of Balkan enlargement, or to act as a bridge between Brussels and the Balkans'.³⁷

'ACCESSION-FATIGUE' AND THE EU'S TRANSFORMATIONAL POWER

If 'enlargement fatigue' constitutes the most significant challenge to the EU, 'accession fatigue' (or what others refer to as 'adjustment fatigue' or 'evaluation fatigue') constitutes its concomitant malady in the Western Balkans. In reality the two phenomena have a symbiotic relationship.

Ample evidence from earlier enlargement rounds demonstrates that the transformative power of the EU lies in the credible commitments made to candidate states accompanied by a muscular conditionality designed to 'democratise', 'Europeanise' and 'modernise' external states in advance of their accessions. Applicants may undertake a painful and costly adaptation, but they pursue reform because of an implicit understanding that the accession process leads to membership. The 'external incentives' model argues that the EU will succeed in transposing its laws, values and principles into substantive and embedded norms in accession candidates if its promises are taken seriously by reformers willing to bear the short- to medium-term costs of implementation because of the long-term benefits they assume will accrue to their countries (or to themselves as political actors). Reformers will adopt the EU's transposition and implementation programme only if the rewards are 'big enough and tangible enough to compensate political incumbents for perceived losses of power or popularity'.³⁸ But an absent substantive belief in long-term benefits on behalf of domestic policy-makers and interest groups could significantly reduce the EU's capacity to influence change. Accession-driven reforms can succeed and EU norms can be substantively internalised only if the EU can provide a credible promise of membership. The EU's real problem in the Western Balkans is that the Thessaloniki promise of membership can no longer counter the currents of enlargement fatigue that pervade the process on the EU side. An excess of enlargement fatigue has led to an excess of 'accession fatigue': transposition and implementation of EU laws in the Western Balkans has slowed to a standstill.

This negative symbiosis has produced an ugly child dubbed 'potemkin implementation': local elites engage in 'smoke and mirrors' policy-making that gives the appearance of EU-trajectory reform, yet falls short on implementation.³⁹ Rhetorical statements of intent are not followed through in any substantive way and the gap between transposition and implementation of EU laws is substantial. Political elites in candidate states 'pay lip service' to EU membership, conditionality and reforms, but in reality they only protect their own political interests. Thus, the dominant impulses within the Western Balkans remain clientelism and rent-seeking rather than the transposition and implementation of EU-motivated reforms.⁴⁰ The failure to improve rule-of-law performance has emerged as the single most important deficiency identified by the European Commission in its annual progress reports.

36 Ibid, 100

37 Ibid.

38 Gergana Noutcheva and Senem Aydin-Duzgit, 'Lost in Europeanization: the Western Balkans and Turkey', *West European Politics*, 35/1, 59-78.

39 Steven Blockmans, op. cit.

40 Dimitar Bechev, op. cit.

The economic crisis has also fundamentally challenged some of the key assumptions about 'EU normative power', and this in turn has changed the dynamics of the previously successful 'external incentives' model. The Mediterranean and eastern enlargements provided the templates for this EU 'success' as a modern form of inside/outside soft power. Now, the economic crisis has thrown that model into severe doubt as Greece, Portugal and Spain have moved onto the 'EU's life support' system. Even Ireland, for long the star pupil of the EU's so-called 'cohesion' countries, needed a dramatic rescue by a troika consisting of the IMF, the ECB and European Commission as its economy collapsed in 2009-2010.

Greece's journey within the EU has challenged some strongly held assumptions about the transformative and disciplining impulses wrought by European integration and the irreversibility of accession-induced reforms.⁴¹ If the 'system' did not take root in Greece, Spain or Portugal – and even seemed to come unstuck in Ireland (notwithstanding the so-called and plainly wrong 'Celtic Comeback') – how can the EU expect to achieve any transformative effect in the Western Balkans, which has more fragile political institutions and social fabric? Furthermore, how can the EU continue to act as a lodestar for asymmetric convergence between inside and outside states in its current condition? If the European integration process itself is so beset by problems in its core, then how can it continue to exert any transformative influence (practical or normative) on the Western Balkans or other exogenous regions? As Panagiotou asserts, 'for the Western Balkans the experience of Greece resonates deeply. The country's experience no longer symbolises the promise of modernisation and convergence with the rich and well-governed 'old' Europe, but the prospect of success and prosperity gone sour'.⁴² If Greece has not managed to tackle problems like rent-seeking, clientelism and tax avoidance in a three-decade period of membership, then how can the countries of the Western Balkans expect to overcome similar structural problems in a much more challenging EU environment, one with much less budgetary largesse to cushion against unpopular public policy measures?

SERBIA-KOSOVO DIALOGUE – A NEW SPIRIT OF OPTIMISM IN THE WESTERN BALKANS?

The bleak landscape that confronts the EU and aspirant member states in the Western Balkans reveals the extent to which 'enlargement fatigue' and the Eurozone crisis have permeated both individual mind-sets and the institutional negotiating space. Still, there are grounds for cautious optimism in some respects. The enlargement process has not come to a complete halt. In particular, the potentially landmark deal signed by Kosovo and Serbia on 19 April 2013 provides a template for neutralising the worst elements of inter-ethnic and inter-state conflict in the Western Balkans. The decisive break with more than a decade of tension and periodic confrontation came in December 2012 when Kosovo and Serbia began to implement a key agreement on border control, opening joint posts at crossings 'that had been variously barricaded, circumvented or burned to the ground for much of the past two years'.⁴³ The April agreement goes further by establishing a power-sharing arrangement in northern Kosovo with authorities acceptable to both sides. The agreement aims to bolster local self-government through an association of Serb-majority municipalities whilst providing new arrangements for the police and the judiciary.⁴⁴ In mid-January 2013, the Serbian government adopted and the parliament endorsed a platform for talks with Pristina. It departed radically from past thinking, accepting Kosovo's territorial integrity and thus the de facto jurisdiction over the north (but not its independence claim). Ivica Dačić, the Serbian Prime Minister, concluded that Serbia's Kosovo policy was 'sterile and ineffective and does not lead to a solution'; instead of fighting 'battles that we will lose' over status, Serbia 'should

41 Othon Anastasakis, *op. cit.*

42 Ritsa Pangiatou, *op. cit.*, 97.

43 International Crisis Group, 'Serbia and Kosovo: the path to Normalization', Europe Report 223, Brussels, 19 February 2013.

44 Stefan Lehne, 'Serbia-Kosovo Deal Should Boost the EU's Western Balkans Policy', *Carnegie Europe*, 23 April 2013.

wage battles we will win' over the rights of Serbs in Kosovo. This about-turn, scrapping 'status' for a model of 'autonomous community', constituted a full circle manoeuvre by Serb negotiators and paved the way for the more substantive agreement in April.⁴⁵ The June 2013 European Council summit went on to declare that membership talks with Serbia would begin in January 2014, subject to progress in implementing the April Agreement. Ministers also agreed to open negotiations on a SAA with Kosovo. The EU 'bet' is that the enlargement jam in the Western Balkans will finally break after Croatia's accession to the EU on 1 July 2013.

CONCLUSION

Despite the fact that more than three quarters of the EU member states are former 'enlargement' countries, enlargement is no longer narrated as a EU success story. It is instead more often presented as a bridge too far for a European project beset by crisis and incapable of repeating previous geopolitical triumphs. 'Enlargement fatigue' has dominated EU relations with the Western Balkan states in the decade since the Thessaloniki summit and explains why the accession process has been 'running on empty' in recent years. 'Enlargement fatigue' provides both a reflex response to a rather inchoate set of EU problems and simultaneously helps to structure a culture of partial or non-compliance with EU laws on the part of Western Balkan aspirant states. The extended economic crisis that has so damaged EU solidarity has had a knock-on impact on enlargement: the previously successful 'external incentives model' has run aground on the rocks of growing mistrust and pervasive uncertainty about the endpoint of the process. Although Croatian accession provides all actors within the region with grounds for optimism, the negotiating climate remains extremely difficult. Unlike previous accession rounds, the EU has provided no concrete timetable for achieving the Thessaloniki promise of membership. Rather, the process remains open and indeterminate. The European Commission remains the 'best friend' of the candidate and potential candidate states in Brussels, but it has been decisively weakened within the institutional architecture by the economic crisis and increasingly acts as the mere 'agent' of the Council, where 'creeping nationalisation' has resulted in an unprecedented politicisation of the enlargement process. The Commission continues to insist that a rational, technocratic and ultimately fair rewards-based process continues to deliver results (if indeed somewhat 'under-the-radar'). The Western Balkans will continue to gravitate toward the *sui generis* EU model. The current EU Commissioner for Enlargement and Neighbourhood Policy, Stefan Füle, insists that enlargement is progressing through the four 'C-words' – credibility, consistency, commitment and courage. Yet, the evidence suggests that the EU is failing miserably on all four counts. As the EU celebrates the accession of Croatia – which will undoubtedly provide a short-term boost to the reform process throughout the Western Balkans – it faces a profound choice in its engagement with the region. It can reinvigorate the spirit of earlier enlargement rounds, or it can succumb to enlargement fatigue. Either way, the region's future hangs in the balance. ■

⁴⁵ International Crisis Group, *op. cit.*

➤ The End of the Cold War, EU Enlargement and the EU-Russian Relationship¹

Joan DeBardeleben

The collapse of the communist regimes in Central and Eastern Europe opened up new avenues of interaction between the EU and its eastern neighbours. The addition of eight countries from this region to the EU in 2004 and two more in 2007 met with minimal immediate objections from Russia. As the implications of EU enlargement became more evident, however, new complications emerged in the EU-Russian relationship. Still, if handled with the appropriate vision and balance, EU enlargement could set a more positive trajectory for the relationship in the long run. This contribution explores three elements of this dynamic: the inclusion of new member states in EU decision-making vis-à-vis Russia, the economic impact of enlargement and the effects of enlargement on Russia's regional geopolitical interests.

Although Russia has voiced its objections to NATO expansion since the early 1990s,² it appeared to have fewer problems with EU enlargement.³ As it did not aspire to EU membership itself, Russia's first two presidents, Boris Yeltsin and Vladimir Putin, apparently considered it possible to maintain normal ties with former Soviet bloc allies despite the likely fulfilment of their EU aspirations. Russia may have underestimated the dramatic change in political orientation that EU accession would imply for its western neighbours, and at the same time Russia's leaders seemed fixated on the hazards that NATO's eastern expansion posed to Russia's dominance in its former sphere of influence.⁴ They may also have mistakenly assumed that the EU membership of these former allies would somehow inject pro-Russian voices. However, once eight of the former post-communist countries entered the EU (including the three Baltic states that had actually formed part of the Soviet Union), the implications became more clear, introducing some new sources of tension into Russia's relations with the EU. Several issues required immediate attention. One involved the extension of the EU-Russia Partnership and Cooperation Agreement (PCA), established in 1997, to include the new member states. Another concerned the sticky issue of transit through Lithuania (now an EU member state) from mainland Russia to the exclave Kaliningrad Oblast. Tightened border protocols, related to preparation for accession of the new member states to the Schengen group (which took place in December 2007 for the 2004 entrants to the EU) made visa requirements mandatory between Russia and the EU member states.

1 An earlier, more extensive version of this contribution was published as 'The Impact of EU Enlargement on the EU-Russian Relationship,' in *A Resurgent Russia and the West: The European Union, NATO, and Beyond*, ed. Roger E. Kanet (Dordrecht, Netherlands: Republic of Letters Publishing, 2009), 93-112. We are grateful to the publisher for permission to publish a revised and condensed version of this chapter in this report. Research for this contribution is supported in part by a grant from the Social Sciences and Humanities Research Council of Canada (standard research grant). I am grateful to Susan Stewart for comments on an earlier version of this paper.

2 See J.L. Black, *Russia Faces NATO Expansion: Bearing Gifts or Bearing Arms?* (Lanham: Rowman & Littlefield, 2000); David Charles Philippe and Jacques Lévesque, *The Future of NATO: Enlargement, Russia, and European Security* (Montreal: McGill-Queen's University Press, 1999).

3 Alexei Pushkov, 'Strategiia zapada i Rossiia', in *Rossii: Poisk puty*, eds. Aleksandr Pavlovich Vladislavlev et al. (Moscow: Iz. Nauchnaia kniga, 1999), 329-247; Aleksei Georgievich Arbatov, 'Russia's Foreign Policy Alternatives', *International Security* 18/2 (1993): 5-43; Aleksei Georgievich Arbatov, 'Russian Foreign Policy Thinking', in *Russia and Europe: The Emerging Security Agenda*, ed. Vladimir Baranovsky (Oxford: Oxford University Press, 2004), 135-59.

4 For a further discussion of Russia's attitudes toward the two processes see Leonid A. Karabeshkin and Dina R. Specker, 'EU and NATO Enlargement: Russia's Expectations, Responses, and Options for the Future', *European Security* 16/304: 307-28.

Cognisant of the possibility that enlargement might create a new, 'harder' boundary further eastward, the European Commission pronounced the Wider Europe concept in November 2003.⁵ It then announced the European Neighbourhood Policy,⁶ which aimed to create a 'ring of friends'⁷ around the EU that would include Russia, other post-Soviet countries such as Ukraine and Moldova and its North African neighbours. Russia, however, rejected inclusion in this framework, because it would imply that it had equal status with other ENP countries and because it viewed the ENP as a 'made in Brussels' initiative devised with no Russian input. Instead, Russia pushed for a separate strategic partnership with the EU to assert the equality of the two sides of the relationship.

In addition to the PCA extension and the Kaliningrad issue, other tensions arose between the EU and Russia around the time of the 2004 enlargement. These tensions stemmed from issues such as NATO expansion, interpretations of the Orange Revolution in Ukraine, alleged human rights violations and democratic backsliding in Russia and various other economic issues such as Siberian over-flight rights and trade.⁸ In early 2006, a dispute between Ukraine and Russia over gas payments impacted European deliveries and raised questions on the reliability of Russian supplies. In February 2007, Putin implicitly criticised European leaders at the Munich Security Conference for not taking a firmer stand against the circumvention of international law and UN authority by the US and NATO, and strongly objected to portions of the proposed new missile defence's location in Central Europe.⁹ Russian rhetoric sharpened as further proposals for NATO expansion touched areas even closer to what Russia considers its legitimate sphere of regional influence, namely Georgia and Ukraine.

This broader downturn in EU-Russian relations did not directly result from EU enlargement. However, adding members from the former Soviet bloc introduced changes to the relationship. Russia had apparently misjudged the importance of EU enlargement,¹⁰ while European leaders either ignored or chose to overlook some of its potentially problematic implications since they saw it as 'necessary' and 'inevitable'. Ironically, whereas NATO expansion elicited strong objections from Russia, its impact proved less significant than EU enlargement (which Russia ostensibly accepted with minimal protest). Integration into the EU had a deeper and more integral impact on the society, politics and economics of the countries involved than did NATO membership, as evidenced by the stringent requirements of the accession process. Over time, leaders in most of the new member states turned their gaze to Europe rather than Russia as the focal point for their political, economic and geopolitical orientation.

NEW MEMBER STATES AND EU GOVERNANCE

A relatively high degree of unanimity about Russia prevailed amongst EU member states in the early to mid-1990s, a period of post-communist honeymoon when the newly democratising neighbours posed relatively few problems. The one major exception was the increasing concern over human rights violations in Chechnya. The EU adopted a Common Strategy on Russia in 1999, which has since then remained unchanged.¹¹ As tensions with Russia developed later in the early 2000s so did disagreements on how the EU should react. Differing economic interests and historical experiences in most cases form the foundation for these diverse reactions. Germany, drawing on experience with the Soviet Union prior to reunification, has generally taken

5 Commission of the European Communities, Communication from the Commission to the Council and the European Parliament, 'Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours', COM (2003) 104 final (Brussels, 3 November 2003).

6 Commission of the European Communities, Communication from the Commission to the Council and the European Parliament, 'European Neighbourhood Policy', COM (2004) 373 final (Brussels, 12 May 2004).

7 Commission of the European Communities, 'Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours'.

8 Michael Emerson, *EU-Russia. Four Common Spaces and the Proliferation of the Fuzzy* (Brussels: Centre for European Policy Studies, 2005); Michael Emerson, ed. *The Elephant and the Bear Try Again: Options for a New Agreement between the EU and Russia* (Brussels: Centre for European Policy Research, 2006).

9 Vladimir Putin, 'Speech and the Following Discussion at the Munich Conference on Security Policy', Munich, 10 February 2007, http://archive.kremlin.ru/eng/speeches/2007/02/10/0138_type82912type82914type82917type84779_118123.shtml.

10 Thomas Gomart, *EU-Russia Relations: Toward a Way Out of Depression* (Washington DC: Center for Strategic and International Studies, 2008), www.ifri.org/files/Russie/Gomart_EU_Russia.pdf.

11 European Council, 'Common Strategy of the European Union of 4 June 1999 on Russia', 1999/414/CFSP.

a more pragmatic and conciliatory approach to Russia. It has placed the issue relatively high on the foreign policy priority list and is aware of the long-term potential for economic gain. Southern European countries have generally given 'eastern policy' a lower priority than Mediterranean policy. Other countries, most notably the UK, have experienced high levels of political tension (connected in part with prominent cases involving Russian émigrés such as the Berezovsky and Litvinenko cases) with clashes in political values, such as the 2007 expulsion of the British Council, and with high-profile economic disputes, such as those surrounding BP's investment difficulties in Russia.

Eastern enlargement significantly increased the range of national interests and historical experience that the EU would have to contend with if it developed a common policy toward Russia. Once members, the post-communist states of Central and Eastern Europe gained a voice in decision-making. This voice could prove decisive where unanimity rules apply. A poignant example was the 2006 Polish blockage to open negotiations with Russia on a new PCA in response to a Russian embargo on meat products imported from Poland. A replay of the story with Lithuania as the potential spoiler was eventually avoided, as negotiations finally commenced in June 2008.

All new member states in Central and Eastern Europe have reacted in one way or another to the history of dominance by Russia. Still, even within this group a *de facto* division became evident between the Baltic states and Poland (the countries that now directly border Russia),¹² which initially took a more sceptical and cautious approach, and other new members from Central Europe, which displayed a greater readiness to engage Russia and in some cases to conclude separate national level arrangements on even important issues like energy. In more general terms, for Russia this has meant that the neighbours it previously dominated have gained new resources to affect the relationship, and to do so on a broader scale.

Poland has been a particularly important case because of its size and hence its potential influence within the EU. Russian leaders resented Polish sympathy for Ukraine's Orange Revolution. This resentment increased with the uncompromising political tone emanating from the Polish government up until late 2007 under the Kaczyński brothers, whose political ideology is often characterised as nationalist and Russo-phobic. The 2007 selection of a liberally-oriented Prime Minister in Poland, Donald Tusk, brought about a change in the tenor of relations between Russia and Poland as he sought to normalise Poland's relationship with its nearest neighbours. A process of reconciliation ensued, evidenced by Russian readiness to acknowledge the atrocities against Polish military personnel at Katyn during the Second World War. The Russian Duma passed a resolution acknowledging the Katyn atrocity in the wake of a tragic aeroplane crash near Smolensk, Russia in April 2010 that killed several members of the Polish elite (including President Lech Kaczyński) on their way to Katyn to recognise the massacre. Despite continuing disagreements on responsibility for the air accident,¹³ relations between Poland and Russian have been on a positive trajectory since that time.

An important achievement, both symbolically and practically, was the cooperation of Russia and Poland in persuading other EU member states to agree to a derogation of usual cross-border facilitation regulations to include all of Kaliningrad Oblast and an extended region on the Polish side in an agreement for visa-free travel.¹⁴ Both Russian and Polish officials heralded this as a critical step toward the broader achievement of a visa-free regime between the EU and Russia.¹⁵ Poland thus moved from a naysayer to a strong force for positive engagement with Russia less than 10 years after enlargement.

¹² Robert H. Donaldson and Joseph L. Noguee, *The Foreign Policy of Russia: Changing Systems, Enduring Interests*, 3rd ed. (Armonk: ME Sharpe, 2005), 261.

¹³ Dan Bilefsky, 'Rift Over Air Crash Roils Poland's Artists', *New York Times*, 28 May 2013.

¹⁴ 'Regulation (EU) No 1342/2011 of the European Parliament and the Council of 13 December 2011', *Official Journal of the European Union*, 347/41 (2011).

¹⁵ See Joan DeBardeleben, 'New EU-Russian Borders after Enlargement: From Local to Transnational Linkages?' in *Shifting Priorities in Russia's Foreign and Security Policy*, eds. Roger E. Kanet and Rémi Piet (Surrey: Ashgate, forthcoming).

Other new member states continue to clash with Russia over issues related to differences of historical interpretation. Yet small countries such as the Baltic states have less of an ability to impact broader EU policy. In these cases, actual and symbolic support from the EU is an important resource for bolstering domestic and international legitimacy. For example, with Estonia and Latvia's accession to the EU, contentious aspects of citizenship laws affecting ethnic Russians who reside there entered the EU-Russian agenda, reinforcing Russian cynicism about the EU's double standards in interpreting human rights. Different perceptions about the meaning of minority and human rights, as well as definitions of national identity and self-interest, have become central to EU-Russian discourse after enlargement. While issues of particular national concern may not have affected EU policy toward Russia overall, EU support for member state positions changed the calculus of power to Russia's disfavour.

EU ENLARGEMENT AND RUSSIA'S GEOPOLITICAL INTERESTS

The collapse of communism initiated a rewriting of Europe's geopolitical terrain. Interpreted by the US as a victory for the West, European leaders emphasised opportunities for increased European integration, even if they did not envisage Russia as a future EU member. Whether intended or not, the accession of Russia's former allies to the EU contained an implicit message of Western superiority. Those post-communist countries not only freely chose the West, but also accepted some loss of state sovereignty vis-à-vis the EU to assure permanent independence from Russia. The fault lines in Europe underwent a radical shift involving a substantial reduction in the uncommitted space (buffer zone) between Russia and the EU. Until the first wave of EU enlargement in 2004, countries such as Ukraine and Moldova were in an outer circle of EU influence, and attention to the post-Yugoslav Balkan states focused more on stabilisation than on a practical timetable for accession (with Serbia an outpost of Russian influence). With enlargement, Ukraine, Moldova and Belarus became immediate EU neighbours, as did several West Balkan states. The EU has implicitly claimed the West Balkans by giving them a membership perspective in anticipation of a further stage of enlargement.

As noted above, both the acceding states and the EU-15 knew that the Central and Eastern European countries would take a role in EU decision-making once they became members. Support for Ukraine's NATO and EU aspirations became an important priority for Poland's eastern policy, despite the disappointment with recent de-liberalising tendencies since the election of Viktor Yanukovich in 2010. Several of the new members came to see themselves as mentors to the eastern neighbours, particularly to the 'willing' partners (Ukraine, Moldova and Georgia). Their advocacy for these countries' European aspirations embodies a particular vision of Europe's future that contests Russia's account of its own regional interests and influence.

Poland and Sweden put forth a new policy proposal for an Eastern Partnership on 28 May 2008, which was based on two fundamental precepts. First, the EU's eastern policy (although it works within the ENP) should have distinctive features. Second, the eastern policy should not take a back seat to the Mediterranean policy (a clear priority of the French presidency at the time). On 3 December, 2008, the European Commission issued a communication to the European Parliament and European Council setting out its vision for the Eastern Partnership.¹⁶ Benita Ferrero-Waldner (then-Commissioner for External Relations and European Neighbourhood Policy) acknowledged that this vision drew '*inter alia* on Polish ideas', noting that 'Poland has made an important contribution to the EU's understanding of countries like Ukraine and Belarus'.¹⁷ The policy is directed at European Soviet successor states not currently in the EU (Azerbaijan, Armenia, Azerbaijan,

¹⁶ Commission of the European Communities, Communication from the Commission to the European Parliament and the Council, 'Eastern Partnership' (Brussels, 3 December 2008), COM(2008) 823 final.

¹⁷ Benita Ferrero-Waldner, 'Ambitious New Partnership for the East', Speech, 27 November 2008, <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/08/672&format=PDF&aged=0&language=EN&guiLanguage=en>.

Belarus, Georgia, Moldova and Ukraine – with Belarus' involvement dependent on 'the overall development of EU-Belarus relations').¹⁸ The Eastern Partnership appeared to sidestep Russia while making its immediate neighbours a more important focus of EU attention. It seems likely that the EU's intensified overtures to the East helped feed Russia's own efforts to strengthen regional integration under its leadership, taking the form of the Eurasian Union initiative. Thus, EU enlargement has indirectly reinforced an atmosphere of competition between the EU and Russia in the shared neighbourhood, even if the EU maintains that this is not a zero-sum game.

Both the EU and Russia are searching for ways to stabilise influence in their immediate neighbourhoods without sacrificing potential interests. Relations with neighbours have thus become one of the most visible arenas of EU-Russian tension. Often explicitly focused on NATO expansion, it has more recently taken new forms as Russia seeks to draw former Soviet republics into an expanded Eurasian Union. Uncertainty and ambiguity continue to prevail in the shared neighbourhood of the EU and Russia, as neither has managed to articulate a persuasive vision that reinforces security and prosperity in the broader European and Eurasian space.¹⁹

ECONOMIC IMPACT OF EU ENLARGEMENT

Regarding the economic impacts of EU enlargement, the interface between the EU's market economic principles and Russia's particular brand of capitalism is especially important. In the 1990s, Russia's market economy was only in formation, and European countries as well as international actors felt they had the capacity to influence its direction. By the time of the EU's 2004 enlargement, Russia's economic revival was in full swing – along with a reassertion of the Russian state's economic influence in key sectors (particularly energy) that are the most lucrative and the most important to Europe. While the new EU member states have become more integrated into Western economic networks, ownership structures and markets, Europe's economic downturn since 2008 has made Russian investment and trade linkages more attractive. Contrasting economic governance structures characterising the EU and Russia do not necessarily inhibit the development of intensified trade and investment, but they introduce tensions that are most evident in the energy sector.

EU enlargement has intensified EU-Russian economic relations. It is often noted that the proportion of trade between the two partners has grown and that investment in both directions has increased. However, many Russian experts view the economic impact of EU enlargement as ambiguous – beneficial for some sectors, but potentially (and actually) harmful for others.²⁰ For example, EU policies complicate the export of agricultural goods, and anti-dumping claims have caused problems for Russia's metallurgical industry. Trade data reveals mixed patterns in another regard. Imports into Russia between 2003 and 2011 from the new member states such as Slovakia, the Czech Republic, Romania and Hungary grew more than imports from most EU-15 countries and CIS countries.²¹ However, growth in exports from Russia to the 2004 new member states has been somewhat below the norm, and energy resources still dominate. To this point, enlargement does not seem to have produced a bonus in terms of Russia's non-energy export market, at least not for the new member states. Sorting out economic impacts is, therefore, somewhat more complicated than quoting aggregate trade figures. Another consideration is that positive impacts may become more visible in the long run, particularly with Russia's WTO accession. Underlying the entire situation is a perception amongst some Russians that their country is being forced to accept EU standards and regulations in order to advance economic relations.

18 Ibid.

19 Janina Sleivyte, 'Russia's Europe Agenda and The Baltic States', *The Shrivenham Papers* (Defence Academy of the United Kingdom, 2008), www.da.mod.uk/colleges/arag/document-listings/monographs/Shrivenham%20Paper%207.pdf/view; Olga Potemkina and Nikolay Kaveshnikov, 'Rossiia i Evropeiskii Soiuz: 'kholodnoe leto' 2007 goda', *Sovremennaiia Evropa* 3 (2007), 26.

20 Ivan Ivanov, 'Rasshirenyi Evrosoiuz kak partner Rossii', in *Rashirenii evropeiskogo soiuzi i Rossiia*, eds. Olga Butorina and Yuri Borko (Moscow: Delovaia Literatura, 2006), 300-315.

21 This has been calculated from data provided on the website of the Russian State Statistical Service, www.gks.ru.

Casier refers to this as the 'insider-outsider paradox': 'as the EU grows larger, their alternatives diminish and it becomes harder (or more costly) to escape the impact of the EU. There are fewer non-EU countries in the immediate neighbourhood to trade with'.²²

Meanwhile, Russia's energy and natural resources continue to dominate exports. The new EU member states are particularly dependent on Russia for gas imports, and to a lesser degree for oil.²³ The application of EU rules within the new member states can create new areas of conflict. Most pointedly in recent years is the implementation of the EU's Third Energy Package, which may press Gazprom to temper its control over distribution networks in new member states, with Lithuania as a case in point. Russian officials have critically greeted investigations by the European Commission to determine whether Gazprom engages in anticompetitive behaviour. While these issues are not specific to the new member states, they take a particularly sharp form there because of the integration of several new member states' supply lines with Russia through previous pipeline linkages. Efforts to integrate the Baltic states into electricity grids connecting them to other EU member states will help to undermine some of these long-term energy dependencies on Russia.²⁴ Such efforts serve as another indicator of the mixed economic effects of EU enlargement on Russian economic interests.

CONCLUSION

While EU enlargement has made a fundamental contribution to stabilising post-Cold War Europe, unintended consequences intensified difficulties with Russia in some cases. The EU's expansion to the East has a structural nature, changing the long-term international structures that shape the nature of EU-Russian interaction. This results from the three impacts examined above. First, EU enlargement cements new governance linkages and behaviours for some of Russia's closest neighbours. Second, enlargement poses choices for Russia's other important previously absent neighbours (such as Ukraine, Belarus and Georgia). Finally, the inclusion in the European market of Russia's formerly most important trading partners challenges the very nature of Russia's own approach to building a market economy.

However, potential and actual positive impacts of enlargement may become more evident over time. Most importantly, EU accession has in most cases helped to consolidate democratic practices in the new member states. Second, the process has largely removed the Central and Eastern European countries that joined the EU as 'zones of contention' between the West and Russia. Their status is defined not only in terms of guarantees offered by Article 5 of the NATO charter, but also by their integration into the fabric of Europe's social, political and economic life. Removing the ambiguity of an 'in-between' status for these countries could prove stabilising and remove potential triggers for conflict with Russia in the long run.

Sociological corollaries of EU accession also may have long-term positive impacts on EU-Russian relations. As the free movement of people fosters deep socio-cultural and economic interconnections between societies in the new member states and EU-15 countries, a socialisation process of new methods of conflict resolution and new forms of accommodation to cultural diversity is also underway. Part and parcel of this process may be a subtle cultural shift, particularly among political elites and youth that instils a greater sense of confidence and security in the new member states. However, before these long-term benefits are realised, a collective process of socio-psychological change needs to occur. Amongst the new member states, particularly the Baltic

22 Tom Casier, 'The New Neighbours of the European Union: The Compelling Logic of Enlargement?' in *The Boundaries of EU Enlargement*, ed. Joan DeBardleben (Houndsmill: Palgrave Macmillan, 2008).

23 European Commission, Directorate-General for Energy, 'Key Figures' (Market Observatory for Energy, June 2011), http://ec.europa.eu/energy/observatory/countries/doc/key_figures.pdf.

24 'Baltic Energy Market Interconnection Plan, 4th Progress Report', http://ec.europa.eu/energy/.../20121016_4rd_bemip_progress_report_final.pdf.

states and Poland, this may take the form of a lessened sense of vulnerability to Russian control and reduced awareness of historical victimisation. As these attitudes weaken, especially among younger generations, the obstacles to achieving a real accommodation with Russia should also decline. Likewise, Russia's sense of 'entitlement' to influence these and neighbouring non-EU regions needs to abate.

Finally, there is a lack of vision for the relationship – and the wide diversity of perspectives within the EU will make this vision difficult to build. While the EU had a clear sense of what enlargement in Central and Eastern Europe could achieve and now seeks to develop a corresponding strategy for engaging Russia's closest neighbours through the Eastern Partnership, it lacks a comparable vision for the EU-Russian relationship. Russian authorities seem unable to link larger declarations (for example, about Russia's European character and European choice) to a realistic plan of action that would secure Russia a stable role in Europe, in part because short-term economic and political interests dominate policy-thinking. Limited sectoral agreements can address some problems, but alongside the increasing self-confidence of leaders and societies in the new member states, a vision of how EU-Russian relations could unfold is also necessary for the long-term impacts of EU enlargement on the relationship to reach their positive potential. ■

➤ Is the European Neighbourhood Policy a Substitute for Enlargement?

David Cadier

The European Neighbourhood Policy (ENP) rose from the successes and consequences of enlargement, but in a context where membership seemed less and less available for the countries of the periphery. This leads one to ask whether the ENP has functioned as a substitute for enlargement. Reviewing the origins, content, achievements and evolution of the policy, this contribution argues that whilst the ENP was not specifically designed as an alternative for accession, it certainly constituted an attempt to replicate the transformative power once provided by the framework of enlargement policy – yet without success. The ENP should thus move away from the ghost of enlargement and function as a more coherent and assertive foreign policy instrument.

The EU approaches and hopes to influence the countries of its periphery through the ENP. Organised around two regional groupings (the Southern and Eastern neighbourhoods), the ENP encompasses 16 countries with widely diverse political and economic situations.¹ In the official wording of the European Commission, the ENP aims to foster the 'political association and economic integration' of the neighbouring countries around a body of 'shared values' (rule of law, democracy, human rights and social cohesion). More concretely, it consists of a series of bilateral agreements and regional frameworks through which the EU offers financial aid, market access and visa facilitation in exchange for domestic reforms in the political, economic and administrative spheres.

The ENP in large part resulted from the enlargement dynamic, particularly from the successes and consequences of the fifth round of 2004. The EU has hoped to capitalise on what is often dubbed its greatest foreign policy success, namely the successful transition of the Central European countries encouraged by the prospect of accession and conditionality incentives. The ENP flows from a similar logic of fostering peace, stability and prosperity within the EU's borders by exporting its internal model. The launch of the ENP is also a consequence of the 2004 enlargement in the sense that, by integrating the Central European countries, the EU gained new borders with a region with which it had few formal links.

Aside from the fact that the ENP and the 2004 enlargement were coterminous, one can also ask if the ENP resulted from the 2004 enlargement since the latter took place in a European context of 'enlargement fatigue' marked by debates on the EU's 'absorption capacity' and on the need to 'deepen' rather than 'widen' the scope of the European project. Is the ENP a substitute for enlargement? Two questions lie within this broader question. First, was the ENP designed to replace membership for countries of the peripheries? Second, can the ENP replicate some of the transformative power that the EU yielded through the enlargement policy?

¹ The 16 ENP countries are: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, Palestine, Syria, Tunisia and Ukraine.

This contribution will focus on the countries of the Eastern neighbourhood, as they stood in the 'grey zone' of enlargement at the time of the creation of the ENP. These countries fall into three categories: those for which enlargement is a question of time (the Western Balkan countries), those for which it is out of the question (North Africa and the Near East) and those for which it is a question (Eastern Europe).² An analysis of the content, achievements and evolution of the ENP can shed light on this issue.

ORIGINS AND RATIONALE OF THE ENP: THE INSTITUTIONALISATION OF AMBIGUITY

Capturing the underlying purpose of the ENP requires one to reflect on the context of its origins. The idea of developing a policy to reach out to the countries of the peripheries took root in the regional context of the early 2000s. The 9/11 attacks placed security at the top of the political agenda and stressed the acuteness of new diffuse, transnational and non-state threats. The realisation that the fate of the EU depended on that of its bordering regions thus led to the following objective: stabilise the periphery to avoid the risk of seeing the periphery destabilise the EU. There was also a growing will to establish the EU as a foreign policy actor and find a means of influence other than enlargement. These two objectives are implicit in the first document calling for a distinct and durable policy toward neighbouring countries.³ In other words, the original rationale behind the creation of the ENP largely stemmed from geopolitical considerations.

The EU naturally drew inspiration from its most efficient instrument in transforming its environment – enlargement policy. In 2003, the European Commission prepared a concept paper outlining a policy towards the European periphery. In the words of then-President of the Commission Romano Prodi, the policy would 'create a ring of friends' and would promise them 'everything but the institutions'.⁴ This paper does not exclude the perspective of accession in the long term. Quite significantly, after inputs from the member states in the context of the 'enlargement fatigue' described above, the foundational document that launched the ENP contained important semantic nuances. It referred to the countries of the peripheries as 'neighbours' rather than 'friends', and it avoided the question of membership.⁵ Ambiguity thus became the trademark of the ENP in its first years.

In regard to the neighbours, the ambiguity over the content and purposes of the ENP resulted from necessity. The EU sought to foster change at its borders by trying to reproduce the recipe for enlargement (conditionality incentives) without its main ingredient (accession perspective). The ENP could not promise membership to neighbouring countries, but it also could not exclude them; it was set up as 'distinct' from the enlargement process. The portfolio was given to the European Commissioner for Enlargement, but even states slightly engaged in the accession process, such as the Western Balkan countries and Turkey, were not included in the ENP.

Ambivalence was also a necessity with regard to internal EU politics. The ENP needed enough room for interpretation so that each member state could articulate the policy's rationale according to its own preferences. Several member states, notably the founding ones, did not envisage accession for those countries standing beyond what they consider the historical, geographical and political borders of the EU's 'imagined community'. New member states from Central Europe, in contrast, would have liked for a country like Ukraine to join the EU in the medium to long term. These states have important economic and historical ties with the Eastern European countries outside the EU. More generally, and just as Germany supported their own accession, Central European countries have a critical interest in the stability and prosperity of their proximate

² See: Jacques Rupnik, ed., *Les Banlieues de l'Europe* (Paris: Presses de Sciences Po, 2007).

³ Javier Solana and Chris Patten, 'Wider Europe', Joint Letter to the Danish Presidency, 7 August 2002.

⁴ European Commission, *Communication from the Commission to the Council and the European Parliament, Wider Europe–Neighbourhood: A New Framework For Relations with our Eastern and Southern Neighbours*, COM(2003), 104.

⁵ European Commission, *Communication from the Commission, European Neighbourhood Policy Strategy Paper*, COM(2004), 373.

Eastern neighbourhood. Thus, new member states staunchly supported the development of the Eastern dimension of the ENP. Poland in particular supported the Eastern Partnership (EaP) initiative launched in 2009. Central European diplomats will privately (but rarely publicly) admit that, at least initially, they regarded this Eastern dimension as a way to prepare the countries of the neighbourhood for future accession. In other words, the ENP was not originally designed as an alternative to enlargement. It was made sufficiently vague for some member states to see it as a *voie de garage* and for others as an antechamber to accession. The ENP was not solving the enlargement question, but avoiding it.

However, this question began to lose its salience in the second half of the 2000s. The prospects of accession for countries of the Eastern neighbourhood appear extremely remote, even in the long term. This partly stems from the difficulties encountered in the latest rounds of enlargement. Integrating Cyprus while the territorial conflict with Turkey remains unresolved has led to an institutional deadlock in the EU's relations with its most important regional partner, NATO. Several countries of the Eastern neighbourhood are embroiled in separatist conflicts (in Moldova and Georgia) or territorial disputes (between Azerbaijan and Armenia). Similarly, many consider that Bulgaria and Romania too hastily joined the EU as the reform of their state structures was incomplete – the Commission's suspension of its aid to Sofia just a few months after accession is usually cited as an example.⁶ Corruption is also a major structural problem in most of the EaP countries: Ukraine, Azerbaijan and Belarus obtained the worst scores in continental Europe in Transparency International's 2012 Corruption Perceptions Index (scoring 144th, 139th and 123rd, respectively).⁷

More importantly, support for enlargement has faded amongst the Central European member states.⁸ The tribulations of Ukrainian domestic politics in particular convinced them that a rapid transition was not readily available. Last but not least, some Eastern neighbours have shown a limited enthusiasm for accession: Moldova and Georgia consistently manifested their interest in joining the EU; Ukraine and Armenia have been much less straightforward; Belarus and Azerbaijan have clearly expressed their disinterest.

By the end of 2000s, with the question of a potential membership perspective largely discarded, member states were largely converging on the overarching purpose of the ENP. In the short run, this policy aims to provide a framework for the financial, trade and migratory flows to and from the neighbourhood; in the long run, it aims to help transform the region by encouraging reforms. However, member states found themselves in disagreement over which neighbourhood – South or East – to concentrate the bulk of the EU's efforts. The ENP comes with a series of financial endowments and somehow directs the EU's institutional spotlight towards a specific geographical area – member states have thus competed to tip it towards their respective region of historical and geopolitical interests. Just as France and Spain strongly pushed for the Union for the Mediterranean (UfM), Poland and Germany have led the support for the Eastern Partnership initiative.⁹

A 'neighbourhoods quarrel' seemed to emerge in EU politics: promoters of the Mediterranean pillar pointed to the disparities in terms of financial aid allocations between the two neighbourhoods while supporters of the Eastern dimension endeavoured to introduce a semantic differentiation between 'European neighbours' (East) and 'Neighbours of Europe' (South). This polarisation did not turn into a permanent competition, however. First, much more than through these regional frameworks, the core of ENP instruments (and thus of EU's means of influence) is above all bilateral. Second, as these two groupings lack internal coherence, differentiation takes place not only between but also within them. Finally, the EU cannot claim success in fostering deep and resilient change through the ENP in either the South or the East.

6 'EU Suspends Funding for Bulgaria', *BBC News*, 23 July 2008.

7 Ranked 51st globally, Georgia stands out as an exception in the region. It should be noted that in the 2012 edition it obtained better scores than eight EU member states, including the Czech Republic (54th), Italy (72nd), Bulgaria (75th) and Greece (94th). Moldova is ranked 94th and Armenia 105th. See: <http://cpi.transparency.org/cpi2012/>.

8 Vladimír Bilčík, 'Foreign Policy in Post-Communist EU', *International Issues & Slovak Foreign Policy Affairs* 19/4 (2010): 8.

9 After going through many different names, what was formerly known as the Union for the Mediterranean is now referred to as Euro-Mediterranean Partnership (EUROMED).

THE LIMITS OF THE ENP'S TRANSFORMATIVE POWER

As for the situation of neighbouring countries, the ENP was not explicitly designed as an *alternative to membership*. As for the EU itself, the ENP was certainly conceived as a *surrogate to enlargement* in the sense of attempting to reproduce the transformative power conferred by this policy. Yet, it has fallen short of achieving the same degree of influence.

The ENP is directly modelled on the EU's enlargement policy. It has the same underlying logic: shape the EU's immediate environment by exporting its norms, values and regulations. The European Commission, which conceived and implements both policies, endeavours to mobilise similar instruments, and thus relies on a combination of conditionality incentives and socialisation dynamics.

The European Commission negotiates a bilateral Association Agenda with each neighbouring country that sets out a roadmap for jointly agreed priorities in terms of political and economic reforms for the next three to five years.¹⁰ Both parties then sign an Association Agreement after a country meets these priorities. No partner has yet reached that stage, but Ukraine should be first: both parties have approved a draft Association Agreement that is expected to be signed at the third Eastern Partnership Summit in Vilnius on 28-29 November 2013. The two parties jointly monitor the implementation of reforms and the European Commission assesses them in Progress Reports released each year. These evaluation mechanisms directly borrow from enlargement's 'country reports'. The modelling of the ENP on the enlargement process provides a clear case of institutional path dependency – within the European Commission itself, the personnel, resources and know-how often simply moved from one division to the other.¹¹ A major difference in the conditionality incentives of the two policies, however, is that the ENP does offer a prize like EU membership. What then does the ENP have to offer neighbouring countries?

The spectrum of ENP incentives offered in exchange for the approximation of EU standards and values includes the so-called 'three Ms': money, markets and mobility. The first refers to the financial aid allocated to the implementation of reforms. The European Commission provides support through grants while the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) offer specific loans to partners. For the 2011-2013 period, the total amount of grants available to ENP partners is €6.5 billion. Second (and likely representing a greater economic potential in the long run), the EU offers privileged access to certain shares of its markets by removing tariff and custom barriers. The ultimate price in this regard is the signing of a Deep and Comprehensive Free Trade Agreement (DCFTA), which opens up EU's internal market to the partner, but requires enormous efforts in terms of legislative and technical harmonisation with EU norms and standards (*acquis communautaire*). Ukraine should be the first EaP country to sign a DCFTA as part of the broader Association Agreement. A third category of incentives pertains to people's mobility and the adoption of incremental steps towards visa liberalisation. None of the ENP countries have reached the stage of visa-free regimes, but several intermediary bilateral agreements facilitating visa procedures have been established with Moldova, Ukraine, Georgia and Armenia. In 2012, citizens of the European Neighbourhood received 3.2 million Schengen visas.

The ENP also endeavours to encourage reforms through socialisation dynamics. Several new platforms aim to enhance political cooperation and foster dialogue. This process is built around the values that the EU wishes to promote through the ENP – democracy, the rule of law and human rights above all. Thus, these frameworks are not only destined to reach out to governments, but also to civil society. The Civil Society Forum, the Business Forum and the Euronest Parliamentary Assembly represent examples in the case of the EaP.

¹⁰ All of the 16 ENP partners except Algeria, Belarus, Libya and Syria have signed such an agreement.

¹¹ Judith Kelley, 'New Wine in Old Wineskins: Policy Adaptation in The European Neighborhood Policy', *Journal of Common Market Studies* 44/1 (2006): 29-55.

Have these enlargement-inspired conditionality and socialisation mechanisms managed to replicate the transformative power of enlargement? In many ways, the record of the ENP appears rather bleak. The EU did score some successes on the economic front: the volume of trade with the countries of the neighbourhood has increased since the creation of the ENP, and the establishment of a DCFTA with Ukraine, a country of pivotal importance for the region, would represent a significant step forward. On the political front, however, a look at the record of the ENP by its stated goal of strengthening democracy, rule of law and good governance shows signs of a quasi-failure. The EU did not foster political change in its Eastern Neighbourhood. On the contrary, according to Freedom House indicators, political rights, civil liberties and media freedom have regressed in all EaP countries excluding Moldova between 2006 and 2011.¹² Furthermore, Eastern partners have shown a fading interest in political and economic associations with the EU. Armenia recently announced its desire to join Russia's Customs Union alongside Belarus, a move that would jeopardise the possibility of establishing a DCFTA with the EU.¹³ Although it extends beyond the geographical focus of this contribution, it serves to note that the EU, despite a profusion of ENP programmes, was unprepared in the face of the Arab Revolts of 2011 in the Southern Neighbourhood.¹⁴

Several factors account for the ENP's shortcomings in fostering political change. Some are linked to its original design. The ENP has been marked by ambivalence from its very inception, which engendered discrepancies in expectations. Countries of the neighbourhood originally hoped for some signs of 'EU membership light' at the end of the 'ENP tunnel', while the EU hoped to see deep and sustainable political reforms. No party could readily offer what the other wished for. The question of visa agreements exemplifies this divergence in expectations: while the ENP countries regard them as a means to provide greater mobility for their citizens, the EU sees them as an occasion to better handle illegal migratory flows.

Another inherent flaw in the ENP's original design pertains to the overstretching of an institutional model (enlargement) conceived not only for a different end (accession) but also for a different region (Central Europe). Whether in political or economic terms, the respective situations of the Central European countries entering the enlargement process and of the ENP countries at the time of the creation of the policy differ markedly. For instance, while the Central European Countries had on average a GDP per capita of \$4,333 in 1993, the same indicator for the Caucasus and for Eastern Europe (i.e. Belarus, Ukraine and Moldova) stood at \$839 and at \$1,300 (respectively) in 2003.

The two regions also significantly differ in terms of the complexity of problems confronting the EU. The issue of separatist conflicts and unresolved territorial disputes presents a telling example. Four of the six EaP countries face such disputes, and the Russo-Georgian war over South Ossetia in 2008 demonstrated the potential for these 'frozen conflicts' to turn hot.¹⁵ These conflicts represent black holes that considerably hamper political, economic and administrative reforms. Beyond the issue of frozen conflicts, the issue of Russia also factors into the ENP equation. Moscow regards the region as its privileged zone of interest and has attempted to offer alternative integration models through the Customs Union and the nascent Eurasian Union. In addition, Russia maintains military personnel stationed in all the EaP countries aside from Azerbaijan (in military bases or through peace-keeping contingents). The region is also an energy transit zone vital to several member states – Slovakia and Bulgaria ran out of gas for several weeks in the winter of 2009 due to

12 Kerry Longhurst and Beata Wojna, 'Asserting the EU's Mission in the Neighbourhood: Ten Recommendations for an Effective Eastern Partnership', *Polish Institute for International Affairs*, September 2011, 10-12.

13 In private and in public, EU officials point to the legal incompatibility between the DCFTA and Customs Union membership as one implies a decrease in customs tariffs while the other a decrease.

14 These events called the Southern dimension of the ENP into question for its prioritisation of short-term stability and for its 'emphasis on economic cooperation and migration management at the expense of democracy and sustainable development'. Nathalie Tocci and Jean-Pierre Cassarino, 'Rethinking the EU's Mediterranean Policies Post-1/11', *IAI Working Papers 11.06 Istituto Affari Internazionali*, March 2011.

15 See: Florent Parmentier, 'The ENP Facing a de Facto State. Lessons from the Transnistrian Question', in *Pioneer Europe? Testing EU Foreign Policy in the Neighbourhood*, eds. Elsa Tulmets and Laure Delcour (Baden: Nomos Verlagsgesellschaft, 2008), 203-216.

the Russo-Ukrainian price dispute. Finally, political upheavals have shaken several countries of the Eastern neighbourhood over the past ten years. The political repression in Belarus following the December 2010 elections undeniably posed a critical test for the ENP.

Beyond its original design, the shortcomings of the ENP in fostering political change also stem from the scope and allocation of its incentives. The efficiency of the conditionality logic ultimately rests on a cost-benefit calculation made by the governing elites of the ENP countries. The deep structural reforms required for complying with the *acquis communautaire* represent enormous domestic costs; the elites of the region seem to gauge the benefits offered in return as too meagre. To take a simple but extreme example, implementing democratising reforms often means the loss of power for autocratic leaders. Aside from the unavailability of the accession prize, the European Commission has limited resources in terms of financial and mobility incentives. For instance, while visa liberalisation probably represents the greatest leverage at the disposal of the EU in its periphery, migration represents a catalyst for tense political debates in many member states – and the power of decision when it comes to visas rests with them. Finally, the EU has also faced criticism for a lack of rigour and consistency in the conditional attribution of its rewards. At times it seems to let peculiar interests take precedence over the values that the ENP should uphold.¹⁶

The Arab Revolts of 2011 shook the whole ENP edifice and replaced democracy at its core. The fact that Hosni Mubarak, one of the most autocratic leaders in the region, was co-President of the UfM at the time when the popular uprisings broke out sent the worst possible signal. After this reality check, the Commission vowed to more tightly condition the allocation of its financial aid to the implementation of democratic reforms and to introduce greater differentiation between ENP countries according to their respective progress on these reforms. The 2011 ENP Review sanctified this new stance, which became known as the ‘more for more’ approach.¹⁷ This document also plans for a greater mobilisation of the EU’s Common Foreign and Security Policy (CFSP) instruments alongside those of the ENP. These two developments (tighter conditionality and greater strategic coherence) undeniably go in the right direction of what the ENP should stand for. It has not produced the expected results thus far – the European Commission acknowledges ‘very limited progress’ and emphasises that most of its recommendations ‘remain valid’ in its latest Progress Report. Yet, it could be too soon to measure the impact of this new approach.¹⁸

CONCLUSION: THE ENP AS A FOREIGN POLICY INSTRUMENT?

The ENP was not designed as a clear alternative to membership, but as an indefinite, composite and multidirectional policy that remained ambivalent about its ultimate purpose. In that sense, it may not fully deserve the label of ‘policy’.¹⁹ The ENP went through different phases where various priorities successively took precedence. After realising that the instability at the periphery could affect the EU, the ENP went from cultivating ambiguity over the enlargement question to providing an institutional spotlight that member states vie to direct toward their areas of geopolitical interests. Today, after the shock of the Arab Revolts, it is gearing itself toward becoming a more coherent and better-focused foreign policy instrument.

¹⁶ Charles Grant, ‘A New Neighbourhood Policy for the EU’, *Centre for European Reform*, March 2011.

¹⁷ European Commission and External Action Service, ‘A New Response to a Changing Neighbourhood: A Review of European Neighbourhood Policy’, *Joint Communication by the High Representative of The Union For Foreign Affairs And Security Policy and the European Commission*, Brussels, 25 May 2011.

¹⁸ European Commission, ‘European Neighbourhood Policy: Working towards a Stronger Partnership’, JOIN(2013) 4 final, Brussels, 20 March 2013.

¹⁹ Antonio Missiroli, ‘The ENP in Future Perspective’, in *The European Neighbourhood Policy in Perspective: Context, Implementation and Impact*, eds. Richard Whitman and Stefan Wolff (New York: Palgrave Macmillan, 2012) 259-270.

Transforming one's environment in regard to one's interests is the very definition of foreign policy. The EU will never replicate the transformative power it yielded in the past in the framework of the enlargement process through the ENP. Nevertheless, it has real incentives in money, markets and mobility, and it should use them more instrumentally. The EU also retains a significant share of soft power in its neighbourhood, and thus ought to pursue its socialisation endeavour and continue reaching out to civil society. Still, it needs to fully depart from the enlargement template. The ENP should not and cannot function as a substitute for enlargement. The EU should think strategically about its neighbourhood and should not struggle to pursue its interests in the area. The very nature of the challenges emanating from the region means that the ENP should not be limited to technical programmes, but should be political. This is especially true as the newly created European External Action Service is now associated with the Commission in the handling of the ENP, which should allow for better coordination with the other CFSP instruments.²⁰ The EU could affirm itself as a foreign policy actor in the neighbourhood. In the face of a disengaging US and an increasingly assertive Russia, it will probably have to. ■

20 'EU's Neighbourhood Policy Becoming More Political, Say Experts', *Euractiv*, 2 April 2013.

Over the last five years Southern Europe has experienced widespread economic, political and social upheaval of almost existential proportion. Greece, Italy, Spain and Portugal, stricken by the Eurozone crisis and the aftershocks of the Arab Spring, face uncertain futures. This report examines the challenges confronting Southern Europe and seeks to explore the potential benefits the countries of the region could gain if they cooperated more closely and developed common policy responses.

The report confirms the need for 'more Europe', but recognises that further integration requires interconnected initiatives and holistic approaches. First, Southern European countries must overcome their reluctance to using the existing mechanisms of the EU. In parallel, Northern European countries must avoid exacerbating the North-South divide and show a fuller appreciation of the wider benefits of a prosperous Southern Europe to the whole of the EU.



The economic and political position of Europe in the world is changing, particularly its relationships with China and the United States. The Eurozone crisis represents a strategic opportunity for Europe to rethink itself and become a more powerful united force.

The report explores how China looms large in Europe's recovery from the crisis and is increasingly interested in Europe's future for economic and wider strategic reasons. And as the US increasingly focuses on Asia, Europe is impelled to carve a role for itself beyond the old certainties of the transatlantic relationship. Europe therefore has a pivotal strategic opportunity to capitalise on these shifts in global power to lay claim to the same key status as China and the US. However, the UK's obstructionism will prevent Europe from achieving this.

After more than a decade in power, Turkey's Justice and Development Party (AKP) has grown increasingly confident in its foreign policy, prompting observers to wonder aloud whether the country might be leaving 'the West', forcing that group to confront the question 'who lost Turkey?'

This is to cast Turkey's role, and its emerging global strategy, in unhelpful binary terms. Turkey's emerging role reflects the changes in world politics whereby power is becoming decentred and more diffuse, with established blocs replaced by more fluid arrangements that loosely bind states on the basis shifting interests.





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