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*The limits of the EU:
enlargement, deepening and democracy*

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1. Introduction

The determination to Eastern enlargement was the most significant constitutional decision for the further development of the European Union (EU) made by the heads of government and state in the years after the ratification of the Maastricht treaty (Table 1). Despite of its enormous impact, the consequences and costs of the enlargement were inadequately discussed in the public (Weiler 2002: 564). Neither in the broad public nor among political elites and parties trade-offs possibly arising in the course of enlargement were accurately pondered. The veil of a general positive assessment of the entire issue successfully concealed national or class-specific redistribution effects as well as effects on further evolution of the European integration.

Table 1: Population and GDP/capita of new member states at joining date

Year	Round	New members	Population		GDP (% of total EU)	GDP/capita (% of total EU)
			absolute (Mio.)	relative (% of total EU)		
1973	EG-9	Denmark, Ireland, Great Britain	64.2	30.8	21.5	69.8
1981	EG-10	Greece	9.7	3.5	1.7	47.8
1986	EG-12	Portugal, Spain	48.5	16.7	12.3	73.4
1995	EU-15	Austria, Finland, Sweden	29.3	8.4	6.8	81.4
2004	EU-25	Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia	74.1	19.5	4.8*	24.7

* in 2002.

Source: Kvist (2004: 305); own research.

Under Danish EU Council Presidency in 1993, the heads of government and state laid down three basic criteria in preparation for the enlargement by means of which a country's readiness for EU entry should be judged. The Copenhagen Criteria express the preconditions membership candidates have to fulfil for take-up of negotiations, respectively define the regulatory framework they have to adopt by the time of accession. Candidates should dispose

of institutional stability and a democratic constitutional order when negotiations are taken up (First Copenhagen Criterion). By the date of EU entry, candidates should have created a functional market economy that can resist competition pressure within the EU (Second Copenhagen Criterion) as well as adopt and effectively implement the *acquis communautaire*, the EU's body of legislation (Third Copenhagen Criterion). Additionally, the heads of government and state agreed to safeguard the European Unions' capability for further enlargement, preserving simultaneously the European integration potential as a fourth criterion: "The ability of the Union to incorporate new members obtaining the percussive energy of European integration constitutes both for the Union and for the membership candidates an important aspect" (Danish EU Council Presidency 1993: 13). However, criteria for this were not defined, let alone adopted. This fourth criterion can be seen as the most relevant criterion for the further evolution of the EU. Paradoxically, the old member states disregarded it more heavily than all others.

The Eastern enlargement nevertheless unleashed a reform debate that brought about as a first result the Nice Summit. Although the necessity of extensive institutional reforms was recognized in the run-up to the Summit, the heads of government and state could merely bring themselves to a minuscule correction of vote weighting and the number of seats in the EU institutions (Kok 2003: 78). Considering the democratic quality of future decision-making procedures (*input dimension of political legitimacy*) or decision and implementation efficiency of EU bodies (*output dimension of political legitimacy*), a more fundamental examination of institutional re-arrangements did not take place. The institutional answer to the challenges of the enlargement remained completely inadequate. The abortive reform summit of Nice reveals a growing problem of the European Union: the inability to come to effective and efficient decisions facing a multitude of heterogeneous national interests, divergent problems and powerful veto actors. It is clearly indicated that the decision capacity and legitimization capability will worsen and that an already difficult agreement on Europe's *finalité* will fade completely in the aftermath of the Eastern European enlargement.

In the following we want to test this hypothesis against the background of the current reform debate and of the ongoing *finalité* debate by means of two central questions:

- To what extent is an enlargement of the European Union, on the one hand, compatible with the deepening of the European Union, on the other?
- What does the Eastern enlargement mean for the legitimacy and *finalité* of the European Union?

To answer these questions, we will first have to make clear what we understand by the terms “enlargement” and “deepening”. We will show then why the European Union does not legitimize itself exclusively through its input or output dimensions, but also requires a resilient common identity (a common sense of belongingness), a *political community* in terms of David Eastons (1965). After the analysis of the sources of EU legitimacy, we will elucidate under which circumstances its enlargement and deepening will become a dilemma. Our thesis is unambiguous: The enlargement of the Union by the ten East European states aggravates the legitimacy shortcomings remarkably and erodes the basis of a resilient common identity (political community). This process must also have an influence on the further course of European integration and the shape of the EU itself. Possible future entries – as the one of Turkey – will further aggravate the legitimacy dilemma. The recent enlargement will prevent further deepening. The danger of overstretch is imminent. A gradual decline in political ambitions to a mere focus on the Common Market will be the most probable outcome. The economic logic of negative integration will dominate the democratic logic of positive integration. A critical view on (just partially) feasible resolutions of the dilemma through the contractually stipulated method of intensified cooperation will round off the paper.

2. Enlargement – Deepening – Legitimacy: The Dilemma

Enlargement

Under *enlargement* we understand an increase in the number of members of the European Union and the adoption of the *acquis communautaire* associated with it by the acceding states.¹ The Eastern enlargement represented already the fourth round of enlargements in the history of European integration. In the first round in 1973 the Union grew by Denmark, Ireland and Great Britain. The southern enlargement in 1981 respectively 1986 comprised Spain, Portugal and Greece. Austria, Finland and Sweden entered the Union in 1995. However, on 1 May 2004, the Union experienced the biggest and most momentous round of enlargement with the entry of ten East European states, including Estonia, Latvia, Lithuania, Poland, Hungary, Czech Republic, Slovakia, Slovenia, Malta and Cyprus. In 2007, Romania and Bulgaria became members of the EU. Croatia has been applying for membership since June 2004. But for the time being the accession negotiations have been postponed because the Croatian government did not cooperate adequately with the International Criminal Tribunal for the former Yugoslavia in The Hague.² Turkey has been affiliated with the European Union

1 For information on the term ‘*acquis communautaire*’, see Commission of the European Community (2001).

2 Last with the refusal to hand over the suspected war criminal Ante Gotovina to the ICTY (FAZ 17.03. 2005). Croatia is nevertheless meanwhile economically, societally and politically more able to accede than

through an association agreement since 1963. The European Commission reports annually on progress regarding the fulfilment of accession criteria and recommended in 1999 to give Turkey the status of an acceding country. Turkey had been offered a pre-accession strategy which shall support Turkey's preparation for accession. Within the legal framework of the Accession Partnership accepted in 2001 and revised in 2003, the Commission report on the progress of Turkey defined the preconditions for accession: (1) the priority policy areas; (2) the financial resources needed for fulfilling these priority tasks. The European Commission sees the Accession Partnership "as a foundation for the political instruments in order to assist Turkey during its preparation for membership".³ The risks of distension in consequence of the Eastern European enlargement have been insufficiently discussed with respect to the novel enlargement ambitions of the Union.

Deepening

For us *deepening* is the extension of decision-making powers of the EU institutions at the expense of national prerogatives. This can signify the incorporation of new policies under the authority of EU bodies or more supranational decision-making powers in already partially communitarised policies such as the environmental, energy, or research policy. The inclusion of policies contemporarily still heavily protected against EU prerogatives as the tax, labour market or social policy is also conceivable. To the procedures with which a deepening and thus a transition from intergovernmental to supranational decisions can be accomplished belong among others the extension of the qualified majority vote of the Council of Ministers, the strengthening of the Commission's initiative rights and the extended legislative competence of the European Parliament. The status quo of deepening was so far most accurately described as a temple construction. The "temple of the European Union" on the foundation of its members' national political systems comprises according to the Treaty of Nice three columns: The supranational policies of the European Community (Art. 2 TEU) are summarized in the first column; the Common Foreign and Security Policy (CFSP) (Art. 11 TEU) form the second intergovernmental column. The third also intergovernmental column consists of the coordination of police and judicial cooperation of the member states (PJC) (Art. 29 TEU).

Legitimacy

Bulgaria und Romania. Taking this not into consideration the Union shows another time its inflexibility in enlargement issues.

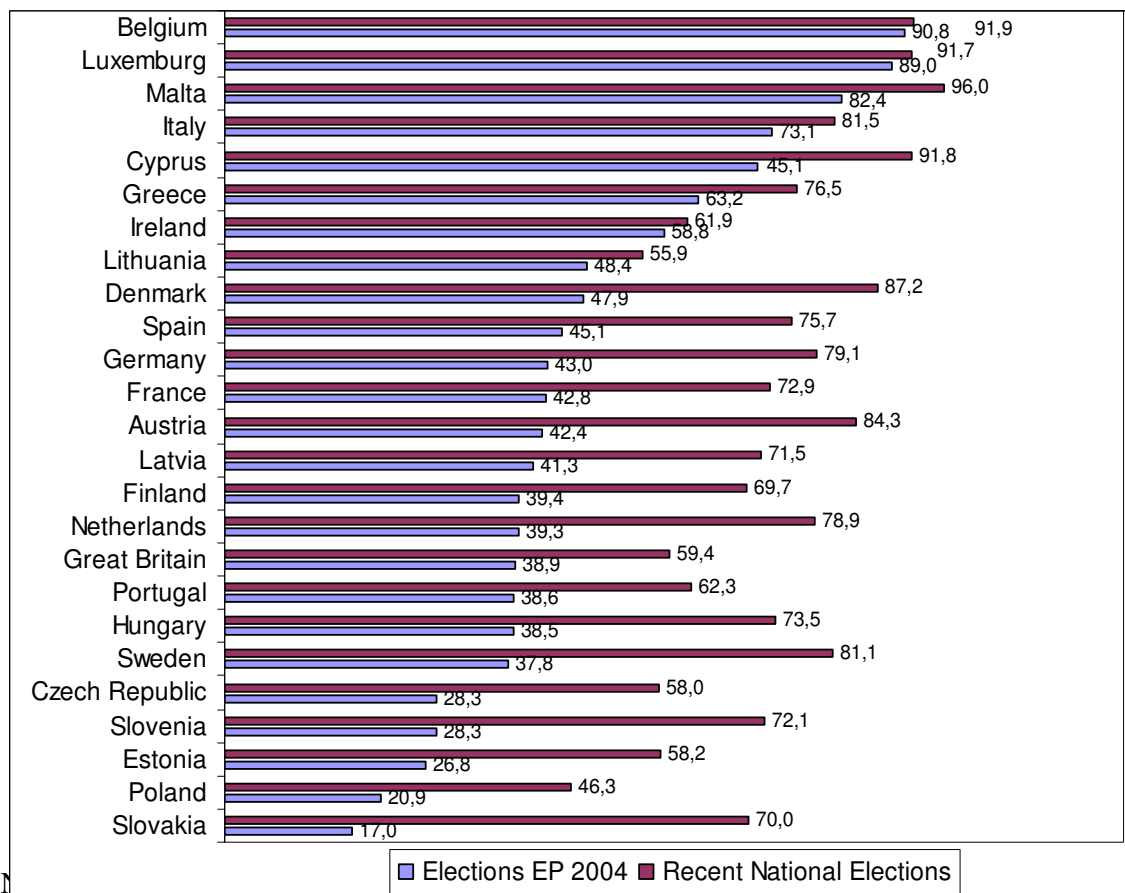
3 Source: Internet: <http://www.eu.int/scadplus/leg/de/lvb/e40111.htm> (download 31.03.2005).

In the course of supranationalisation, key policy areas which previously fell under the responsibility of national governments are transferred to the supranational level of the European Union. In the present institutional design of the EU, the Commission has the right of initiative, while the main decision-making power lies with the Council of the Heads of State and Government and the non-transparent Council of Ministers which meets in various compositions of national representatives, Ministers, officials and experts depending on the respective issue. The only EU body directly elected by EU citizens and thus directly, democratically legitimised is the European Parliament (EP). The EP has continuously gained decision-making competences through the treaties of Maastricht, Amsterdam and Nice. It last gave proof of its risen self-confidence during the hearing of candidates for the filling of the new Commission under Commission President José Manuel Barroso. Only just after a personal change the European Parliament passed a vote of confidence in the Commission with a three-week delay. However, observers and even members of the European Parliament themselves frequently overestimate its legitimacy base. The direct elections are usually burdened by a low turnout which lies in almost all member states significantly under the turnout of national elections and in some countries even under the minimum standards of democratic elections (Figure 1). Additionally, many voters of numerous member states elect the representatives of the European parliament only as a second motive, because they instrumentalize the European elections to signal approval or disapproval to their national government. The legitimacy of the European Parliament lies considerably under that of national parliaments. To this extent its lesser legislative competences are justified.

Even though the European Parliament influenced forcefully the appointment of the last Commission, the “political system” of the European Union does not satisfy the criteria of a parliamentary democracy: The European Parliament does not (yet) dispose of all those functions that belong to a national parliament as a legislative and supervising body (Maurer 2002); its contemporary democratic legitimacy would be too thin for this anyway. The Commission is no government legitimated by a parliament. The Council of the Heads of State and Government, respectively the Council of Ministers, is no chamber in terms of a federal second chamber as it is the German Bundesrat or the US Senate. The accountability of the Council vis-à-vis national parliaments or the European Parliament is low; the non-transparency of its decision-making is high. Not regarding these insufficient legitimacy requisites authoritative decisions are being made in Strasbourg and Brussels with considerable consequences for all EU citizens since the nation-states are committed to their implementation. In principle, such decisions require a legitimisation in terms of a feedback to the intent, the demands and the approval of the Union’s citizens (Scharpf 1999; Merkel 1999;

Moravcsik 2002; Schmitter 2003). Even the sum of feedbacks in the European multi-level system, e.g., from the European Parliament or the Council of Ministers via the national parliaments to the voter, does not reach the density, transparency or compelling nature of national democratic governance.

Figure 1: Voter turnout: elections to the European Parliament (2004) compared with recent national elections



Source: European Commission (2004).

A major precondition for democratic legitimacy is the consensus among norm addressees to understand themselves as citizens of a political union. This calls for the development of a shared feeling of belongingness to a shared risk community, i.e., the formation of a *political community* (Easton 1965). Solidarity in this sense exists between the citizens if they understand themselves as members of a community that is based on relations of reciprocal responsibility, accountability, and active political participation. They approve of the institutional order and accept political decisions as binding, even if they could not entirely put through their own interests or are defeated in majority votes. A strengthened feeling of belongingness to the European Union should not replace but complement already existing national or regional patterns of identification. This concept of a shared-risk *political community* corresponds to a resilient common European identity which allows citizens to

acknowledge European decisions as legitimate and to comply with them. The concept of *political community* chosen by us lies below the substantialistic claims for a “European demos”. Following the mainstream of democratic constitutionalism, such demos would be a precondition in order to transfer the core prerogatives of democratic governance via the European Union citizens to the European level (Grimm 1995, 2004; Kielmansegg 1996). But the development of a European demos with shared values cannot be expected to emerge in the near future due to different national historical experiences and cultural contexts (Weiler 1997: 115-117). Though, in case of an ongoing enlargement or deepening a resilient European sense of belongingness among elites and ordinary citizens is needed. Without such a political community neither a strong commitment to implementation by those states defeated in the majoritarian decision-making nor diffuse support (Easton 1965) for the Union by the citizens can be expected.

Each political system derives its *legitimacy* predominantly from two sources: On the one hand, from an appropriately representative, accountable and transparent, i.e., a democratic institutional order with comprehensible decision-making procedures (*input dimension*); on the other hand, from an effective problem-solving capacity, that is, the capability to reach justifiable, effective decisions and implement them efficiently (*output dimension*) (Scharpf 1999; Kneip/Merkel 2002: 196-197).

In the EU Council of Ministers, the consensus rule is still the principal decision-making procedure. It disposes of the highest possible degree of legitimacy in the input dimension since, per definitionem, all interests have to be taken into account in order to achieve a consensus decision. However, this also fortifies veto positions and leads to higher decision-making complexity if really all national interests have to be accommodated. Unsatisfactory solutions on the smallest common denominator may be the consequence. In the worst case, the consensus rule blocks decisions. The establishment of a qualified majority rule in the Council of Ministers with the coming into force of the European Single Act in 1987 could partially avoid this decision-making trap (Wallace 1996: 153). But while decision-making efficiency increased a great deal of input legitimacy was forfeited. For which demos or which electorate could have empowered the representatives of other countries who prevailed in a ballot in the Council of Ministers to outvote the defeated representatives of its own country who are legitimised by their national electorate? There is no acceptable chain of legitimacy from the point of view of democratic theory that could legitimise e.g. the German, French and Italian ministers to outvote the Danish, Swedish or Portuguese ministers and possibly force

them to align national law with EU law against the will of Danish, Swedish and Portuguese constituencies and their representatives.

The Eastern enlargement was institutionally taken into account first with the Treaty of Nice (2001). The Treaty re-defines the vote weighting within the Council, the composition of the Commission and the distribution of seats in the Council of Ministers (Fischer/Metz 2004). Moreover, the qualified majority vote in the Council of Ministers was given a new form. The new threefold qualification valid since 1 November 2004 (and according to the Treaty of Nice until 2009) instead of the previous twofold qualification acknowledges the democratic problem but can nevertheless not be assessed as an institutional progress in terms of a simplification or an increase of decision-making efficiency.⁴ At the intergovernmental conference of Nice, enlargement and deepening were closer connected to each other than in any earlier reform of the Treaty (Diedrichs/Wessels 2002: 170). Yet, the solutions remained unsatisfactory in both the dimension of decision-making efficiency and the dimension of decision-making legitimacy.

The reform debate was continued in the European Convention. The “Treaty Establishing a Constitution for Europe” formulated in this committee after being revised in some points on numerous ministerial conferences was signed by the Heads of State and Government on 29 October 2004, but defeated by the national referenda in France and the Netherlands in 2005.

The nomination of representatives in the Convention as well as the size and complexity of the final document do not permit to characterise the text of the treaty as a “constitution”. Far beyond the formulation of basic principles of political order typical for constitutions the text of the treaty comprises detailed regulations of existing EU law. In contrast many demands for a sustainable institutional reform towards more efficiency in decision-making and higher transparency were not met.

In its history, the European Union gained more legitimacy by its output and outcomes than by the input dimension. The successful installation of a common domestic market, a customs union and last but not least a common currency had a share in the increase of economic welfare of the member states. Even though democratic deficits in the input dimension cannot be directly offset by the *surplus* of welfare enhancing *output*, the latter can bring about a

4 The procedures for preparing, reaching, implementing and checking of decisions vary between the columns of the European Union as well as within single policy areas. Wolfgang Wessels counts after the commencement of the Treaty of Nice 38 different forms that combine the decision-making modalities of the Council with the participation opportunities of the European Parliament (Wessels 2002: 110; cf. as well Wessels 2003).

higher legitimacy belief on the part of citizens. But the precondition is that EU citizens show high acceptance or even approval of the authors of authoritative decisions.

The Dilemma

The effectiveness of common policies is nevertheless not only dependent on the efficiency of decision-making at the European level but also on the willingness and ability of member states to implement decisions at national levels. Efficiency gains in decision-making can lead under specific circumstances to effectiveness losses in implementation. In principle, it is easier for member states to translate EU directives into national legislation if they agreed to the final decision in the multi-level governance system (Leiber 2005: 224). Generally, Scandinavian countries implement directives better than South European countries (Falkner et al. 2005; Falkner et al. 2002: 7-10).⁵ The member states differ in their implementation cultures. Beyond this, member states, which were defeated in Council votes, are less prone to translate the decisions into national law (Merkel 1999: 32). The explanation is that defeated governments have to justify their politics to the national constituency. When public support declines, the willingness to implement European decisions at the national level becomes less (Zürn/Neyer 2005: 199-203).

The dilemma of the European Union is that all possible legitimacy gains on the input side may be paid with legitimacy losses on the output side. Higher transparency, control and accountability reduce the democratic deficit, but slow down the decision-making process and distort the practice of package deals typical for the EU. Majority decisions in turn can raise efficiency but might reduce the commitment to implementation. The latter can (partially) be avoided only if a resilient European identity and a robust common sense of belongingness mitigates self-interested and rational-choice-oriented refusal of compliance. The European problem with legitimacy is less a dilemma but rather a trilemma that is constituted by an interrelated input, output and identity problem.

Dilemmas on the Input Side

On the input side of legitimacy, four critical trends can be determined. First, the only directly elected EU body, the European Parliament (EP), has comparably modest decision-making powers in the legislation process. But an upgrading of prerogatives cannot be legitimised by

5 Apart from national opposition against EU resolutions, Falkner et al. (2002: 17-19) label administrative inefficiency, problems of interpretation and the linking with other national reforms as reasons for infringing EU directions.

democratic theory, given the low and constantly diminishing voter turnout since 1979. Second, the inclusion of supranational, national and subnational actors into the coordinated decision-making process with a simultaneously growing heterogenization of interests as well as an extension of common policies make decision procedures more complex and less transparent. The increasing veto points can result in the very “policy interlocking trap” that Fritz Scharpf (1985, 1999) predicted already 20 years ago (see also Schmitter 2003: 82-83). Third, there are problems with the decision rules. In an enlarged Union consensual solutions, which are the most democratic, are neither attainable nor are they adequate to respond to political challenges in due time. In addition, majoritarian solutions cannot be sufficiently legitimised (Scharpf 2004). To accept a majority vote means to give up parts of national sovereignty and submit to the will of majorities, which is eventually borne by other states than the own one. However, the states that were part of the majority coalition cannot be held accountable by the citizens of the countries defeated in the majority vote. Judging from all disposable indicators the sense of belongingness to the European Union appears to be not resilient enough to consider such majority votes legitimate. Fourth, the application of majority votes requires a particularly sensitive distribution of votes and vote weightings, first and foremost in the Council of Ministers. The distribution of votes should – among others – correspond to the size of the populations of the member states. But this is also not the case as Thomas Fischer and Almuth Metz (2004, Appendix II) demonstrate in their analysis of Nice.

Dilemmas on the Output Side

The application of the majority rule on the input side has consequences for the implementation of decisions on the output side. The prospect of belonging to the defeated minority reduces the willingness of national lawmakers and bureaucracies to translate and implement EU resolutions passed into national laws. This holds true because national governments face an attenuating *permissive consensus* in their populations.

In the past the European integration profited from non-transparent package deals and negotiations behind closed doors. Thus, the permissive consensus of a poorly informed public permitted important integration progress. Especially this elitist approach expanded the democratic deficit. If the European Union strengthens the consensus aspect of decision-making, it will gain in democratic quality but lose decision-making efficiency and decision-making capability. If it takes the issues of consensus achievement and greater interest heterogeneity after the enlargement into account, it will risk a deterioration of accountability and an increase in non-implementation at the national level.

If each government or each parliament has fewer chances for influencing joint decisions, it will show less intent in the future to cede competences to the EU in policy areas that touch national sovereignty most (Busse 2000). If one favours a further deepening of the EU, the Union must stimulate tax, social, employment and educational policies that lead to their deepened coordination and integration. According to the Lisbon Agenda, the competitiveness as well as the social cohesion of the Union could be improved simultaneously this way. These policy areas that had been so far excluded from EU affiliation (Moravcsik 2002: 607) could foster the European identity and generate spill-over effects that strengthen a collective political awareness among Europeans.

The Dilemma of a Political Community

Problems with the evolution of a shared risk political community can be recognized from the following facts:

- Since the introduction of direct elections to the European Parliament in 1979 the voter turnout decreased steadily (European Commission 2004).⁶
- Citizens lack knowledge about the norms, rules and procedures of the European Union (European Commission 2004).
- Trust into the political institutions of the Union and satisfaction with the democracy of the Union vary drastically across the member states (European Commission 2004).
- Citizens of the old European Union trust each other more than they trust the citizens of the new member states in Central and Eastern Europe (Delhey 2005).
- The proportion of those citizens who do not identify with the European Union but exclusively with their nationality is growing (European Commission 2004).
- The number of citizens who have a positive image of the Union is declining (European Commission 2004).

These trends have a negative impact on the development of a coherent shared risk community and on the legitimacy of EU decision: In the course of European integration, the nation-states have assigned sovereignty rights to the European Union. This includes that national governments are not accountable anymore for the demands of their nationals. Nevertheless,

6 While the turnout amounted to 63 percent in 1979, it declined synchronically with the enlargement rounds in 1980, 1986, 1995 and 2004. In the last parliamentary elections, merely 45.7 percent of the voters went to the polls. In comparison with the significantly higher turnout at national parliamentary elections, the European constituency pays much less attention to the European Parliament and thus attributes to it much less democratic legitimacy.

the latter still consider their national governments the most important authority and do not acknowledge European institutions as completely legitimate equivalents for their national institutions. The European Union should be able to count much more on the approval of its citizens to legitimise its politics and make sure that the citizens understand themselves both as author and addressee of European decisions. If this does not happen, the legitimising chain of democratic representation might burst. Within the framework of his famous dichotomy of autocracy (heterogeneous legislation) and democracy (autonomous legislation), Hans Kelsen (1925) coined the term *heterogeneous norm genesis* for this phenomenon (similarly Schmitter 2003: 83-84).

3. The Aggravation of the Problem due to the Eastern Enlargement

The deepening of the European Union necessitates an increase in democratic legitimacy. This, in turn, requires the development of a stronger European identity. Even within the EU-15 this problem of input legitimacy and output efficiency had not been solved adequately. The Eastern enlargement threatens to worsen the legitimacy-efficiency dilemma in all three domains: the input side, the output side and in matters of community-building. That does not only make a further deepening unlikely, but even endangers the already attained state of integration.

Aggravation on the Input Side

In the light of the Eastern enlargement, the decision was taken to reform the majority rules in the Council of Ministers. The distribution of votes was re-arranged and the total number of votes with respect to the new members was raised (cf. Fischer/Metz 2004). Since 1 November 2004, together with the Treaty of Nice, the threefold clause for a qualified majority is in force: A legal act due for approval is accepted if a majority of states, a majority of the weighted votes and a majority of 62 percent of the Unions' population is in favour of a legal act (Fischer/Metz 2004; Giering 2004). The constitutional treaty envisaged the procedure for a qualified majority to be facilitated, reducing it to a "double majority"; the qualified majority ought to correspond with the majority of member states and represent at least three-fifths of EU population. The suggestions of the Convention implied a deepening in two respects: (1) the application of the qualified majority rule is extended; (2) the prerequisites for an application of the qualified majority are simplified. Since the proposals of the Convention have not yet been ratified, due to the failed referenda in France (29 Mai 2005) and the Netherlands (1 June 2005), the over-complex and insufficient decision rules of Nice go on to

persist (Rupp 2005). This will further hamper a further deepening of the EU. The various single-vote majority and minority coalitions would hardly be comprehensible anymore, even for experts, and would allow a multitude of veto coalitions in European decision-making.

Aggravation on the Output Side

For the “old” EU member states special pressure arise on the labour market. This applies particularly to the neighbouring countries of Germany and Austria. The peculiar circumstances of positive employment effects, e.g., welfare gains by an increase in the skilled labour supply, are not given in Germany. The German and continental European labour markets are hardly flexible, due to various reasons: Their adaptability may be overburdened by high levels of labour immigration. Moreover, the universalistic social benefits of those West European and especially Scandinavian countries, which finance their welfare state by taxes and offer their citizens a large amount of public goods, create additional migration incentives from East to West (Sinn/Werding 2001: 23). The losers on the German labour market are the low-skilled employees who will suffer from higher wage pressure and a higher risk of unemployment. Long-term transitional arrangements will postpone the problem but not mitigate it.

Moreover, the risk of allocation conflicts between net contributors and net recipients as well as between old and new net recipients in the Union is growing (Voruba 2003: 41). For this reason, the European Commission submitted proposals for restructuring the Common Social and Cohesion Policy and the Common Agricultural Policy already in February and July 2004. New conflicts can be expected with regions that won't be promoted anymore (European Commission 2004a; 2004d) or with countries –first and foremost France (agriculture) and Great Britain (budget) – which do not want to forgo their extensive subsidies and privileges. The failed negotiations on the EU budget 2006-2013 despite the mediation efforts by the Luxembourgian Council Presidency in June 2005 revealed the potential of those structural conflicts. This is problematic in so far as the Unions' output legitimacy always rested on specific welfare gains of widening and deepening. If the performance of European institutions and their policies is questioned by blaming them for high structural unemployment, permanent budgetary conflicts, slow and cumbersome decision-making, and inadequate compromises, further deepening is highly improbable (cf. Kohler-Koch et al. 2004: 307).

The structural aid schemes of the old EU cannot be extended unchanged to new members. With the Eastern enlargement, numerous countries have been admitted that have an extensive

and inefficient agrarian sector. While slightly more than 5 percent of the population of the old EU are employed in the agricultural sector, the share of jobholders in agriculture amounts to 8 percent in Hungary, to 24 percent in Lithuania and to nearly 27 percent in Poland (Hippler 2004). The agricultural expenditures added up to 46.4 billion Euros in 2004. This corresponds to 42 percent of the entire spending of the Union (European Commission 2004d: 16). The declaration of Lisbon to make Europe the most dynamic and competitive economic area by investing into the “knowledge economy” is becoming a mere paper tiger. To cover the new increased expenditures, either the old members have to dispense with parts of their allowances or their financial contributions to the EU have to be raised. However, the “old” members are currently neither prepared to accept slashes of their structural transfers nor approve of an increase in the Union’s expenditures of 1.27 percent of the EU’s GDP (Quaisser 2001; Bolesch 2005).

The enlargement created new external borders with hotspot regions as well as fragile states like the Russian Federation, the Ukraine, Belarus and Moldova (Wallace 2002: 663). This makes it more difficult to elaborate a common foreign policy because – even in the EU-25 – every statement on foreign affairs has to be passed unanimously. That is why single states have a high veto potential (Best et al. 2004: 67-68). The historical experience and the geopolitical exposedness of East European member states deepens the gap between “Atlanticists”, who want to strengthen relations with the United States, and “Europeans”, who favour a discrete international role of the EU. Some of the new member states, especially Poland, consider the United States as the intrinsic guarantor of security vis-à-vis Russia. A pro-Atlantic coalition, together with Great Britain and the United States, will make a common European position in foreign and security policy unlikely in medium term. A deepening of the common foreign and security policy has virtually been removed from the European agenda as was already illustrated by the “Letter of the Eight” supporting the US war against Iraq illustrates (Great Britain, Italy, Spain, Portugal, Hungary, Poland, the Czech Republic, and Denmark).

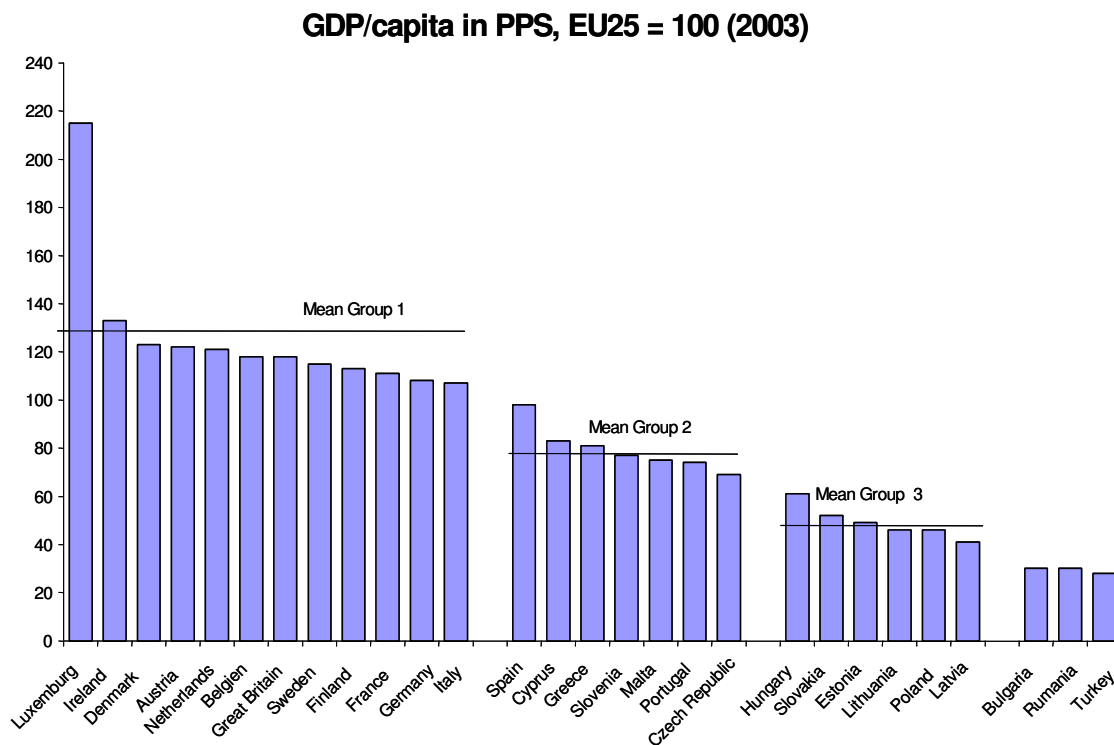
Toughening of Political Community-Building

After the Eastern enlargement, the new member states are demanded upon to support efforts for a political and economic union. But there is no strong sense of European belongingness among the new member states and their citizens, not to mention a good understanding of common affairs. An indication of this is the low turnout in the elections to the European Parliament. The average voter turnout in the new member states amounts to 40.3 percent and

is thus below the EU average of 45.3 percent and remarkably below the average turnout in the constituencies of the “old” member states (52.7 %) (Weßels 2005). According to a post-electoral study of the European Union, the turnout in national elections in the new member states averages 56 percent (European Commission 2004e: 5). Hence, the low turnout is not only due to participatory apathy or disaffection but is directed against the European Union.

For the Commission, economic disparities within the Union have aggravated after the Eastern enlargement (Figure 2). In comparison with the EU-15, the gap between the wealthiest 10 percent and the poorest 10 percent of the population measured in terms of GDP/capita has doubled (Mau 2004: 42). It is obvious that intensified interest divergence and allocation conflicts are to be expected. Integration also means redistribution to cope with income disparities. At least the countries benefiting from redistribution will see it in this way. Countries with a high economic level do not profit at all from such redistributions (Boix 2004: 5-7). The intensified allocation conflicts – additionally boosted by fiscal problems of the traditional donor countries as Germany and France – will presumably continue hampering political community-building.

Figure 2: GDP/capita EU-25 member countries and Bulgaria, Rumania, Turkey (Purchasing Power Standards in 2003)



Source: Internet: http://europa.eu.int/comm/eurostat/newcronos/reference/display.do?screen=detailref&language=de&product=sdi_ed&root=sdi_ed/sdi_ed/sdi_ed1120

(31.03.2005); own calculations.

To the question where they see the relevance of the European Union for themselves, 62 percent of the respondents named the liberty of free movement in the first place (European Commission 2004b, C70). In the light of the income and allocation inequality mentioned above, the wish to actually use this freedom of movement could trigger increased migration in the Central European border regions. Various studies on migration potentials and their causes in the course of Eastern enlargement have been carried out (Dietz 2004; Hönekopp 2004; Kvist 2004; Krieger/Maitre 2005). The ifo Institute for Economic Research in Munich for example expects for Germany an increase from currently around 500,000 migrants to about 3.2 to 4 million. This would equate to a long-term migration rate of about 4-5 percent of the population in the countries of origin (Sinn/Werding 2001: 20-21). The predicted migration movement puts the shared risk community under pressure in several respects. First, if new EU citizens take advantage of the newly-gained rights, this could be at the expense of the “old” members that are destination countries for the migrants. They bear the costs of migration movements with respect to the integration into society and the labour market. Second, the new member states lose manpower in the long run. It is therefore not clear whether the internal migration within the EU harm the general economic interests of the “old” member states. It depends very much on how their labour markets are organized. The more rigid the regulation is the more difficult will it be to benefit from the positive effects the labour migration can create. Whereas the general effects are not clear yet the lower-skilled workers in the “old” member states will be the losers since there will be a downward pressure on low-skilled wages and substitution of workers in the lower sector. For them it will be hard to find other jobs due to their low skills. They could become the new long-term unemployed in highly regulated labour markets. The bottom fourths of the society in these countries will bear a great deal of the costs of the Eastern enlargement. But they are precisely the part of the population taking the least Europe-friendly stance. Particularly in the neighbouring countries this can result in an alienation of the losers of modernisation and integration from Europe and politics in general. This again could give a boost to Europe-hostile right-wing and left-wing populist parties (Taggart/Szczerbiak 2004). If the pro-European parties do not want to lose their constituencies, they have to react correspondently and slow down further Europeanization of politics. Apart from this, a higher incentive for national governmental elites arises to blame “Brussels” for being responsible for societal problems. The consequence of this “politics of blaming” would be an additional legitimacy loss of the EU among many citizens.

4. Ways out of the Dilemma

The Eastern enlargement has visibly worsened the dilemma between input and output legitimacy in face of a shrinking common identity in the Union. Are there ways out of the dilemma? Could a Europe of different speeds be a reasonable alternative? Such a solution was extensively discussed in the past under different headings such as “core Europe”, “Europe of two speeds”, “Europe of the pioneer group”, “Europe of concentric circles”, “Europe à la carte” or as “Europe of staggered integration”. If one takes – apart from EU membership – cooperation in military (NATO), monetary (Euro) or security (Schengen) issues as a basis, Belgium, Germany, France, Greece, Italy, Luxembourg, the Netherlands, Portugal and Spain can count as “core Europe”. The idea of a “core Europe” has already been incorporated into the Treaty of Amsterdam under the name of the so-called “enhanced cooperation”. The Treaty explicitly provides the opportunity for an intensified collaboration of member states by allowing usage of EU institutions and procedures for this purpose (Art. 11 and 11a TEC). But until the governmental conference of Nice this opportunity had not been taken. Nevertheless, in face of the Eastern enlargement, the heads of state and government decided to facilitate the procedure for enhanced cooperation in the Treaty revision in 2001. The quorum of member states of an initiation of the proceeding was reduced to eight (before, a majority of states was necessary). Its range of application was extended to the common foreign and security policy and the previous veto right of member states against the establishment of enhanced cooperation was – except in foreign policy – cancelled (Title VII TEU).

This strategy could result in efficiency gains since within enhanced cooperation fewer states take part in the decision-making process. The consensus potential among those core countries is clearly higher than in the heterogeneous EU-25, for these states demonstrate their willingness to collaboration and consensus already by coming to an agreement on the initiation of these proceedings. Second, this strategy would provide the opportunity to support a progressive group of states that aims at more integration and thus exert a kind of pressure on non-participatory states. These states could line up with the pioneer group and contribute to the extension of the deepened union as soon as they see themselves in the position for this (Janning 2001). Unfortunately, this strategy has three disadvantages: First, the institutional hurdles are high. The regulations for the initiation of the proceedings and the later inclusion of a member state differ across the three columns of the EU. The application of enhanced cooperation is bound to tight conditions, and the Treaty of Nice adds to this. According to the EU Treaty, cooperation must promote the integration process and is not permitted to distort the common market, or the economic and social cohesion of the Union. Furthermore, it is not

allowed to interfere into trade, discriminate against member states or distort competition (Art. 43 TEU). Important policies predestined for positive integration might thus be excluded. Finally, enhanced cooperation in specific policies under European jurisdiction may only be a measure of last resort. This is the case if the Council comes to the conclusion that applying the respective regulations of the Treaty the objectives aimed at with the enhanced cooperation cannot be achieved otherwise (Art. 43a TEU). Second, the intensified usage of the mechanism “enhanced cooperation” could exacerbate already existing social conflicts: centre vs. periphery, wealthy vs. poor regions, inclusion vs. exclusion, etc. Third, these “half-in-half-out” politics will most likely advance the formation of at least two classes of members, creating a second- or third-class membership among those not included in the inner circle and boosting centrifugal tendencies. Trust, a crucial resource in intergovernmental decision-making processes, would not increase but decrease. Complexity and intransparency of multiple decision-making regimes within the Union would supposedly become unmanageable. Increments in decision-making efficiency in individual sections would be bought with frictions in other policy regimes. The European Union would forfeit inner cohesion. Trying to compensate the distension of European borders by dissolving internal coherence would probably induce the end of the political “project Europe”.

The institutionally ill-prepared Eastern enlargement could have been the first step in that direction. It is not the enlargement per se which burdens the future deepening of the European Union, but the way it was planned by the “old” EU. The EU-15 was unable to achieve the necessary institutional reforms for Eastern European enlargement. It appears unrealistic and illogical that a Union of 27 member states could more easily agree on reforms than the EU-15. Therefore, the scenario of a pure single-European market seems to be closer at hand than a real “political union”. It is self-evident that this holds true *a fortiori* after the accession of Romania and Bulgaria. A membership of Turkey would ultimately settle the project of a viable political union. The danger of overstretch overshadows the future European integration.

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