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Young Leaders Study Group "The Future of Europe: Perspectives for European Integration"

First Conference "Redefining Europe in the 21st Century" Berlin, 12-15 November 2003

> CONFERENCE REPORT



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A. EUROPEAN POLITY (SELF-DEFINITION)

The question about the self-definition of Europe, more precisely, of the European Union (EU) was posed many times during the first meeting of the Study Group on the "Future of Europe". This comes as no surprise as the primary theme of the opening event was "Redefining Europe in the 21st Century." To define Europe simply means to ask, "What is Europe?" Answers abound, as do the different sub-themes to this question: What principles, what values are at the heart of the Union? Can one speak of a "European Identity"? How would this differ, if at all, from an "EU identity"? Is the Union a community of values? And, finally, who shall – with a view to *finalité* – belong to the Union? To Europe?

Views differed on these questions, both within the group itself and among the various speakers. One person expressed that Europe was too different in

"An unfinished Union on its way to an undefined destination." Klaus Gretschmann

cultural terms, and that shared economic interests should be the common denominator. Another denied that it was only the cultural heritage holding the various parts of the continent together: no common language (and 66% of Europeans speaking only one, i.e. "their" language), no common European public space or anything. The latter was rather found within the nation state.

"Unity" and "diversity" or, as declared the motto of Europe in the Draft Constitution, "Unity in diversity" were often mentioned as points of references providing a framework for European self-definition. Cunningly, this motto simply leaves open in which areas there shall be diversity and how such diverse characters shall feel united in the end. In fact, this motto is just vague enough to serve as a "European Corporate Identity" that was called for by one participant.

This diversity was also referred to in a single person, the "European". One speaker was quoting Umberto Eco to express a commonly stated feeling: "When I am in Roma, I am a Milanese; when I am in Paris, I am an Italian; and when I am in New York, I am a European." With a bit more imaginative expression, one participant coined this the "Babuschka feeling" where various layers make up an individual's identity.

Other interesting parallels were drawn to the sphere of individual psychology when trying to define Europe. One was to see Europe as a family where you have closer and more distant relatives – relations that you can hardly escape. Another was the nexus between love and

respect: Theses two were said to go together for the self as they do for any other person. Europe, however, and in particular European institutions were far too intangible to be loved. They were accepted – and cherished, sometimes – for being practical and useful, yet they were not loveable.

Definition implies necessarily

– sometimes already in its
process, but undeniably in its

"I clearly do not agree with the one who is being quoted 'those who have visions should see the doctor'." Wolfgang Schäuble

end result – a statement of what one is not. It sets out, for a body such as the European Union, a designation of its (geographical) borders, i.e. a statement of who can ultimately belong to it and who cannot. Not to answer this question has, in the past, also been of some advantage to the EU: this "creative ambiguity" has kept neighbouring countries interested in membership and, thus, willing to accept certain conditions demanded by the EU. Yet it was felt that, with the EU on the verge of enlargement about to become a different player in the world, it could no longer be "fluffy" but would have to give some clear definitions about itself – including about its final borders.

TRANSATLANTIC PARTNERSHIP

Naturally, the transatlantic partnership plays a defining role for European integration. Historically, the integration process would not have taken off without the US interference in World War II and its post-war involvement in Europe. America, it was stressed not least by the American speakers, has always supported European integration and will continue to do so. To what extent US patronage is still a necessary condition of integration, or whether integration can (and should) actually take place without US support, or even against the US, is part of the debate. In the field of the economy (trade, tariffs etc.), competition has certainly been the *modus operandi* – with mutually beneficial results, a market economist would have to admit.

However, to define Europe in opposition to the United States (the notion of "counterweight") seems clearly out of bounds, if not utterly dangerous. For this, the shared values are far too strong, all speakers agreed. In addition, much of the transatlantic relationship is built in a "bottom-up" fashion, i.e. they solidly rely on bonds between the populations from both continents. In this context, however, it became clear how much more dangerous a change of perception in the general public is than it is with the elites. The quarrel about policy and war

against Iraq has exemplified this: Especially in the case of German-American relations, at the beginning there was sharp disagreement between the political leadership, which, by now, has been overcome and co-operation over Iraq has resumed. The rift in the general public, where criticism of US government policy has potentially given way to a latent anti-Americanism, seems to be much deeper.

EUROPEAN PUBLIC

The latter point is one of the reasons why, in this report, a special sub-section on the European Public seems apt. Europe can no longer be built without or against her citizens. Back in the time of the Community of Coal and Steel, it did not matter much to the general public when government officials made decisions in far-away Brussels. With the Union becoming ever more political, it is of utmost importance to "take the citizens on board", as it was expressed by one participant. For the question of identity, this simply means that today's citizens of Europe must feel much more European than, say, the Italians, French, or Dutch some 50 years ago when the Treaty of Rome was signed. This need not mean that they feel less German, Flemish, or *Luxemburgois*, for that matter. Yet with the predominance of Europe in all spheres of life, the European citizen would need to feel "European" at least to a certain extent in order to accept it as part of his or her self.

In addition to all that, it is social interaction that has a strong influence on the building of an identity. With regard to the emergence of a (collective) European identity, this would require enhanced contacts not such much at the elite level, but within the general public in all European countries. Therefore, it is necessary to foster individual exchanges, information on current affairs in neighbouring countries, promote travel and language learning. In short, a European public sphere must be created. This would then form the basis of a European identity that is much more than a consensus of the (political) elite.

B. EUROPEAN POLICIES (STRATEGY)

Where does Europe want to go – in the geo-strategic or in the domestic dimension? One speaker put it as bluntly as this: The Union is at a turning point where it has to decide whether it wants to be a player in the global arena, or whether it wants to keep perfecting itself and try to fence off problems outside.

Another speaker saw this choice of direction centred on another phenomenon determining much of everyday life: Whether the Europeans fear or, in fact, favour

"How can you be a global player if you cannot define yourself?" Ulrike Guérot

change? The latter, the speaker stressed, was more of an American approach, whereas the former has generally been the European approach. Whether Europeans were now ready to embrace change and start to shape the world around them, i.e. to develop and implement a strategy, was to be decisive. Basically, to start developing a strategy was already a first step into a certain direction, i.e. not only to be pushed by outside events, but to actively decide oneself which way one wanted to take.

Fine, so Europe needs a strategy – but can one start developing a strategy if one has not even defined oneself? Unfortunately, "the world outside" does not leave time to follow an ideal approach. What is more, a diametric position is also possible: Why identity? Are not common interests and common goals, a "shared vision of the future" sufficient to act? One participant gave the example of immigrants who, coming from various different origins, did not bother much about their common identity. They simply embarked on this "shared vision" and started to work hard to make it come true. For the Union, however, it was remarked, a "unity by common goals" strategy may turn into a circular argument since part of its goals is precisely the defence of its values.

One speaker put forward that the "community method" be part of the Union's strategy. This mechanism helps to solve arising problems multi-

"Nothing moves without man, nothing lasts without institutions." Jean Monnet

laterally, and the integration's record was much more impressive than the one of a "balance of power" strategy. The Union as a "unique trans-national thing" was precisely built as a response to 150 years of, eventually, unsuccessful balancing of power. This is also to say, the speaker continued, that political will on its own does not suffice for the development of the Union. What is needed are structures and institutions that carry this will.

With regard to the inner development of the Union, the choice between two different directions was said to be embodied even in the name of the EU itself: One direction would be "European," meaning ever closer integration; the other the "Union," i.e. the union of nation states pooling sovereignty in only a selected area of policy fields. Especially with regard to Turkey, this distinction was used to describe the EU's future direction: It was predicted that, after fifty years of competition, the intra-European struggle was decided in favour of an

integrationist ("European") approach, but the membership of Turkey would put the EU on a "Union" track for the next fifty years.

In fact, much of the discussion focused on the potential accession of Turkey. With regard to this country, but also looking at other regions, one speaker asked whether the Union should not "digest" the current enlargement first, and consolidate itself somewhat before taking on new members. The general debate seems to have taken up a point of the mid-nineties, where some actors preferred a "widening" to a "deepening" of the Union. Member states then decided to do both, to deepen integration as a prerequisite for the following enlargement. Eventually, after the half-success of Amsterdam and the near-failure of Nice, it was the European Convention with the draft Constitution that should provide the foundations for both.

Whether Turkey should be part of the EU was also discussed vibrantly. However, the question should focus

"Membership of Turkey would put the Union on an intergovernmental track for the next fifty years."

Craig Parsons

on "when and under what circumstances" Turkey should join rather than "if" because it was already decided years ago that Turkey *would* join the Union one day. With reforms taking place as needed in order to fulfil the Copenhagen criteria, Turkish membership should be certain. Even the very large number of Turkish MEP's, probably the largest parliamentary group at the time of accession, should not pose a problem if these Parliamentarians see themselves as conservatives, liberals, greens or whatever. In the end, another non-European speaker underlined, Europe cannot claim "reason and enlightenment" for itself or as part of the Judaeo-Christian tradition, as these are meant to be the heritage of all mankind.

TRANSATLANTIC PARTNERSHIP

With regard to the United States, a lot depends on how Europe sees her role in the world: Some speakers as well as participants stressed that, on some issues, Europe might arrive at a different policy analysis than the United States and, consequently, might favour – and pursue – a different policy. Yet agreement was clear that it could be no overall strategy for Europe to "counterbalance" the American partner. It is not only the common ground that forbids such an approach, but also that this position simply does not yield a majority support. However, whether or not, in a certain policy field, the EU might feel inclined to balance a US approach it does not agree with, is a different matter. A prerequisite for this is, nevertheless, that Europe "speaks with one voice".

EUROPEAN PUBLIC

Based on a certain – non-exclusive – understanding of European identity, enlargement is one of the primary strategies of the European Union. This objective makes it especially important to pay attention to public opinion. Considerable fears persist in the public concerning what enlargement will mean for domestic labour markets, financial transfers, organised crime etc. These fears are used, sometimes even sparked, by some (populist) politicians. In order to make enlargement a success, and in an effort not to constrain decision-making due to an exaggerated public anxiety, it is important that these fears are taken into account, and alleviated.

On a wider scale, public opinion matters concerning Europe's role in the world. While the current crisis over Iraq has shown that there are, in fact, high expectations within the European public regarding Europe's role on the global scene, this demand is clearly contradicted by a public unwillingness to divert scarce resources into the fields of foreign policy and defence. It seems, at least until the present, that the citizens of Europe have already answered the provocative question posed by one of the speakers: Whether Europe wanted to act as a global player and was therefore willing to reduce its agricultural budget and its structural funds? The answer would be Yes to the first and, inconsequently, No to the second – thus refusing to pay the price for Europe's envisaged global role.

Yet, no matter what role – geo-strategic or collective – Europe decides for itself, public support is relevant. This is particularly true in the area of economic development. Just as, at the launch of the European Community, economic integration was needed to make way for a further-reaching co-operation in the political dimension, economic progress now is a prerequisite for the political integration. If economic stagnation continues in Europe, public approval for costly undertakings such as enlargement will certainly drop considerably, participants and speakers agreed.

Two interesting observations were made regarding elections in Europe: One participant pointed out that European issues were crosscutting traditional left-right cleavages in the domestic area. This meant that parties in the European Parliament could not (yet) represent citizens' concerns as they were elected on a national left-right basis. This merely underlines the need for a European public sphere. One of the German speakers claimed that, not only with regard to his country, euro-sceptics had – fortunately – so far not been able to win

elections. While this may not be true for all countries of the Union, it makes clear that the "official Europe" is in constant need of justifying its politics.

Finally, engaging more with the public on the strategies the EU is to follow is also about "making Europe a sexy issue", as one of the speakers put it. Increased awareness and greater involvement in the debates about future policies – be it the "enlargement after enlargement", Europe's global role, environmental issues, consumer protection and others – could make "Brussels" a much more interesting place.

C. EUROPEAN POLITICS (CURRENT CHALLENGES):

While the Study Group was designed with the concrete task of identifying the pending challenges for Europe, and making policy recommendations for how to overcome them, over a 24-month period, it was inevitable – and also sensible – to address some of these issues at the opening in Berlin. Since the **intergovernmental negotiations** about a **European Constitution** (or Treaty establishing a European Constitution, as the official wording goes) were taking place at the same time, this was, of course, one major topic. Moreover, with **enlargement** being scheduled for May 2004, this issue was also part of the agenda. A recurring theme proved to be the **Franco-German co-operation** at the heart of the European integration process, whereas discussion of the economic aspects was also due to the current (poor) state of the **European economy**.

THE INTERGOVERNMENTAL CONFERENCE (IGC) AND THE EUROPEAN CONSTITUTION

The present Intergovernmental Conference (IGC) turned out to be at the centre of the discussions more than once. While a German government official was himself "optimistic about reaching a consensus" on the text proposed by the European Convention, not all speakers and participants shared this view.

Generally, the IGC was seen as a symbol of the EU as a "Union of States," notwithstanding the fact that this body is about to debate a strengthening of the European Parliament representing the "Union of the Citizens." Therefore, it comes as no surprise that one of the main points of debate in the IGC is the relative power of States in the Council: The "Nice formula" with fixed votes (e.g. France, UK, Germany, and Italy with 29, Poland, and Spain with 27, Luxemburg, Malta and others with 3 votes) gives a quite distorted picture of relative

power, where Poland and Spain, with only half of the population size, have nearly as many votes as Germany. Given the relative population sizes, the voting power of a Luxemburg citizen is even 27 times that of his German counterpart. The formula proposed by the European Convention ("double majority") takes into account both the member states (13 out of 25 need to agree) and the citizens (the majority of States needs to represent at least 60 per cent of the Union's population). Moreover, proponents of a new system declare that the Nice Treaty was only agreed to, with such a flawed formula, in order to make enlargement take place, as it was the constitutional base for the accession of ten countries next year.

However, supporters of the Nice formula claim, it was precisely because Nice is the basis on which accession will take place, and because all referenda in the accession countries were lobbied – and won – with this framework, that this voting arrangement cannot be scrapped.

Another point of contention is the future size of the Commission. While representatives of the so-called "smaller countries" generally favoured the "one country, one (full) commissioner" rule, others commended a smaller and, thus, thought to be more efficient European

Commission. In this body, only 15 commissioners should have a voting right, rotating equally among all States. The opposing side could, however, not imagine that these countries took a Commission, in

"Parkinson's Law recommends that a group in order to work efficiently should not be larger than twelve." Klaus Scharioth

which e.g. the French and British Commissioner had no voting right, seriously.

An issue causing much less debate now than earlier is the Presidency of the European Council: This should no longer be the rotating scheme where country presidencies change every six months (before real initiatives could have shown an effort), but a body with an individual at the top elected for two and a half years. This individual, however, would not have more competencies than the post holds today, in order to keep the institutional balance of power between European Council, Commission, and Parliament.

The election of the Commission President by the European Parliament will, in turn, enhance the democratic standing of this person. In the long run, this shall even contribute to a change in election habits, especially looking at the low voter turnout for the last European Parliament elections. Low voter turnout is a general problem in all democracies and not confined to the Union sphere, thus not a particular sign of distrust in European institutions, one speaker claimed.

The IGC has reached clear agreement on the replacement of the four-person "Troika" by a European Foreign Minister, and a European Foreign Service. The same goes for a consultation clause in

"If you don't have a (single) voice, You can find a voice (i.e. vision)."

John Kornblum

foreign policy, structured co-operation on defence matters, and the establishment of a European Armaments Agency. All efforts to strengthen European Defence were aimed at strengthening Nato at the same time, speakers confirmed: The North Atlantic Alliance is in need of a strong European pillar.

ENLARGEMENT: EXPECTATIONS, POTENTIAL CONTRIBUTIONS

The next (fifth) enlargement of the European Union is probably by far the greatest (peaceful) project, both in sheer size and in its consequences that the continent has embarked upon in the last centuries. This round finally *re*-unites Europe, not yet entirely, but to a very large extent. The "new members" thus do not see themselves as "New Europe" but rather as coming back to where they have belonged historically. They themselves feel that, now, the EU can really speak for the "whole of Europe", i.e. the continent. This will raise the authority of the Union on a global scale and make it a much more credible partner.

What kind of Europe will this "EU-25" represent? Especially the identity-seeking

"How many European countries are there?"
Unanswerable question

part behind this question often makes it difficult for Europe's partners; one American speaker let it be known. Europe does not define the world any longer, as it did for most of the 16th to 19th century. Despite the great achievements of the integration process, Europe's relative weight has declined, another speaker emphasised. The continent is seen by the rest of the world as weak, self-centred, and over-aged: While Europeans are content with themselves and the fact that they have been at peace for the last 55 years or so, the others are galloping away. The perfect European system of security and stability does, unfortunately, not include much creativity. Because what is needed now, the speaker continued, is a problem-solving approach rather than the (European) institution-building method.

Expectations of next year's ten new members prominently feature the "equality of members." It is essential that citizens of the accession countries are not treated as "second class citizens" and that the countries themselves receive a fair treatment. This includes certain sensitivity on the side of the "old members" to the institutional changes that are presently in discussion,

changes that are being made in between the ratification of the accession treaties and actual accession. Nevertheless, another expectation is the continuation of the integration process, i.e. the wish that the coming years should not only be used for consolidation ("digestion") only but also for further progress on the road ahead.

Concerning the potential contributions of the new members, these will certainly derive not least from their geographical location and the resulting experience. More to the point, the

"Who is a European? He who yearns for Europe." Milan Kundera

Union shall benefit from the Central and Eastern European countries' familiarity with the "new neighbours" like Ukraine and Belarus. However, such a neighbourhood policy cannot be developed and implemented by the adjacent (interested) countries alone, i.e. France, Spain and Greece for the Mediterranean, or Poland and Germany for Eastern Europe. This will have to be done by the Union as a whole. Moreover, as the Central and Eastern European countries have experienced a division of the continent for too long a time, they themselves will watch that no new barriers are built between those inside the Union and those outside of it.

On European foreign policy, for example, over the last thirteen years the accession countries have been very supportive of the Union's policies, one of the speakers emphasised. The (in)famous "Letter of Eight" at the height of the Iraq crisis was one particular instance – the exception to the rule. Most of the new institutional arrangements, like the European Foreign Minister, find their support. Only on defence policy, these countries have very strong views where it is in their vital interest that the security guarantee of Nato shall not be undermined and that every European security arrangements is inclusive.

Also in economic terms, new member states will contribute to EU growth: With only 40 % of the EU average GDP, Poland, for one example, has a long way to go to catch up – a process that will benefit the two sides. Thus, with the economic potential that enlargement brings, and with the increased authority of the continent as a whole, the EU will become a more relevant actor.

FRANCO-GERMAN CO-OPERATION

Officially not a topic in the programme, the "Franco-German couple" nevertheless figured prominently in the discussion. This was not only due to the headline news on the second day of the conference announcing a "political union" between France and Germany. Yet, cooperation between the two countries has recently once more proven to be – neutrally speaking

- quite decisive for the development of the Union, be it in the Iraqi crisis, the constitutional debate, or concerning the countries' economic performance.

The institutional links that have been tied between the two countries over the last decades have become even stronger during this year, following the 40-year anniversary of the Elysée Treaty in January. The Europe Ministers of the two countries, Hans Martin Bury and Noëlle Lenoir, are co-operating closely in their new functions as Commissioners for Franco-German Relations; other ministers are meeting regularly for an exchange on policies; the late Brigitte Sauzay, a French national, had been the advisor to the German chancellor; and a recent summit in Poitiers between leaders from the regional level opened up a new dimension to the relationship.

Yet the two countries will have to overcome a specific challenge that is completely different from the ones posed by the current economic or geo-political situation: language. Interest to learn the respective neighbour's language has declined considerably on both sides of the river Rhine. While English is on the rise, fewer and fewer French are able to understand their German neighbours and vice versa. When the two parliaments met at the beginning of the year, efforts to place fluent MPs next to one another were nearly in vain because less than a dozen were able to speak French or German, respectively. Therefore, politicians have agreed on certain language promotion measures, with the aim to reach at least a passive understanding of the other's language.

On a more general note, however, it was made clear that other important groupings will probably emerge in the EU-25, too, making the Franco-German couple less exclusive: On defence issues, for example, this can be France and Germany together with the United Kingdom (as they have recently proven in the negotiations with Iran and on a European defence headquarters); or the UK joining Spain and Poland in their institutional preferences.

ECONOMIC INTEGRATION

"Deals, not ideals" is what is at the heart of economic integration – as one speaker phrased it. At the beginning, this process was trade-driven, then, with the introduction of the Euro, it became currency-driven. This project having largely turned out to be a success, and facing the still ongoing revolution in technological affairs, the process now has become innovation-driven. The appropriate word for it in "EU speak" is the "Lisbon process", a strategy aiming to make Europe the "most competitive economy in the world" by 2010. The strategy was

designed at the height of the economic upturn, tailor-made to the New Economy before the bubble burst.

Some of the initial goals can no longer be reached, while the general aim has not (yet) been given up. However, as the speaker conceded, very many "nitty-gritty problems" are preventing success on a larger scale, because in too many areas the national interest still prevails and thus makes coordination difficult. What is needed, in his view, is a convergence of beliefs about how a society functions. Some areas of economic activity enjoy full integration in the community method, others work with only "lukewarm coordination", and some are still completely autonomous, like tax policy. The so-called "open method of coordination" however is a very useful mechanism where goals are commonly agreed upon, yet the way to reach them is left open to member states. Benchmarking and the exchange of good practices are intended to help all members achieve the goals one way or another.

Productivity in the EU is not as bad as it is often stated, not least in comparison to the United States, the speaker claimed. If

"If we want to make a difference in the world, we need to be an economic power." Klaus Gretschmann

measured in GDP per capita, it is indeed only 70 per cent of the US productivity. However, if based on the number of hours worked, European productivity is at 98 per cent of the US. This highlights a very general difference between the two sides of the Atlantic, i.e. the European choice "to work less." This is not simply an effect of the higher level of taxes, which could be a disincentive to work more. To the contrary, as the level of taxation varies across the Union, the (low) level of working hours does not vary accordingly. The speaker confirmed that "working less" is a deliberate choice by Europeans in favour of quality of life. Nevertheless, in facing the current economic crisis, Europeans will probably have to work more: France is a test case in this field eliminating, as of next year, one public holiday in exchange for public service reform. Germany will also be a testing ground, yet much more involuntarily so, since in the calendar year 2004 four to five national holidays fall on a Saturday or Sunday – increasing the overall number of hours worked per annum and thus making up an expected increase of GDP of about 0,3 per cent.

D. CONCLUSION

It is certainly too early to derive any authoritative conclusions on the vital matters discussed. The debate about European identity – within Europe and beyond – is still going on and will continue. However, the discussions in Berlin – and this report mirroring them – have set a framework for more concrete recommendations by the participants. When they meet in Warsaw in April next year, accession will be just ahead – and the constitutional debate hopefully be brought to a successful close. One year later, when the group will meet for a concluding seminar in Brussels, we shall all know much more about the effects enlargement has had one year down the road, the developments of the European Security Strategy, or the state of transatlantic affairs.

This merely underlines that this Study Group has been convened at the right time. The Young Leaders are not only "present at the creation" of a new world order, but are also part of a "Europe in the making" – which renders their contribution all the more necessary and valuable.