

**GERMANY AND EU ENLARGEMENT
INTO EASTERN EUROPE**

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By

Michael Baun
Associate Professor
Department of Political Science
Valdosta State University
Valdosta, GA 31698

phone: 912-259-5082
fax: 912-333-7389
email: mbaun@valdosta.edu

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Abstract

This paper examines Germany's interest and role in the EU's eastern enlargement. After discussing the security, economic, and moral sources of Germany's interest in enlargement, the paper examines the evolution of German policy on enlargement since 1990. It argues that German views on enlargement have evolved from an initial vague enthusiasm for rapid enlargement to cautious support for a limited enlargement with lengthy transitions periods. The primary influences on German enlargement policy are EU-level developments, including the priority given to EMU and the difficulty of achieving necessary internal reforms, and external security considerations, especially the process of NATO expansion. By contrast domestic politics have, as of yet, exerted relatively little direct influence on German enlargement policy.

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Michael Baun
Associate Professor
Department of Political Science
Valdosta State University
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fax: 912-333-7389
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GERMANY AND EU ENLARGEMENT INTO EASTERN EUROPE

The collapse of communism in Eastern Europe has presented the European Union (EU) with a tremendous challenge. While before 1989 the EU could largely neglect developments on the other side of the "iron curtain" and focus on its own internal development, it is now preoccupied with postcommunist Eastern Europe in two ways: 1) the EU must work to ensure political stability in Eastern Europe to protect itself from the negative spillover consequences of instability; and 2) the EU is now challenged to make good on its implicit promise to admit postcommunist countries should geopolitical circumstances allow and thus become what it has always claimed to be -- a truly all-European community. Indeed, the two challenges of stability and enlargement are intimately related, since the latter is widely viewed as a means of providing the former, although if enlargement is not handled in a proper fashion it is also possible that it could have destabilizing effects in Eastern Europe.

While the EU has supranational dimensions and displays features of multilevel governance (Marks 1993; Marks, Hooghe, Blank 1996), it is nonetheless true that the interests and preferences of national governments still matter, and in particular those of the largest and most powerful member states. With regard to EU *Ostpolitik* and the issue of enlargement, it is the interests and preferences of Germany which are particularly important. This is because of Germany's size and power and its

geographical location on the eastern edge of the present EU, which makes it both particularly vulnerable to instability in Eastern Europe but also the country most likely to benefit from stability and prosperity in postcommunist Europe. Because of Germany's geographical position and its security and economic interests in Eastern Europe, it has always been clear that the EU's eastern enlargement would be a "German-led enlargement" (Kolankiewicz 1994, 490).

Nevertheless, while Germany may be the lead actor on enlargement this does not mean it has gotten exactly what it wants on this issue. One reason for this is that Germany has not always known exactly what it wants, and as this paper shows German views on enlargement have evolved since 1990 in response to both internal EU and extra-EU developments. Another is the complex process of EU policymaking with its emphasis on consensus and bargained trade-offs among member states. Within such a diverse grouping of fifteen member states, not even a relatively large and powerful country like Germany can always have its way. Also, and somewhat ironically, the same geopolitical changes in Europe that have made Germany the key country in enlargement have also placed constraints on its policy towards Eastern Europe; while Germany has specific interests and preferences with regard to enlargement, it is constrained in pursuing these by the desire of other member states -- and of the Kohl government itself -- to integrate a united Germany more firmly into the EU. In this manner, both the organizational nature of the EU and the new

"German question" create linkages between EU "widening" and "deepening" and provide other member states with some leverage over Germany on the enlargement issue.

While not endorsing a specifically intergovernmental approach to analyzing the EU, this paper focuses on German policy towards enlargement. One argument of the paper is that German enlargement policy is shaped by the conflict between two sets of important interests: 1) German security, economic, and political interests in Eastern Europe, which generally favor enlargement; and 2) German interests in the political balance and further institutional development of the existing EU, which place important constraints on Bonn's capacity and willingness to push for enlargement. The conflict between these two interests undermines the frequent German assertion that widening and deepening are not contradictory processes, and that both can be accomplished together. While from a longer-term perspective this may be true, in the immediate term (1990-1997) the two goals have not always proven compatible and, all rhetoric aside, when the two goals have conflicted the German government has clearly favored deepening over widening.

The paper has three parts. The first section examines the primary sources of Germany's interest in enlargement, including security and economic interests and a sense of moral obligation derived from history. The second section examines the evolution of German policy on enlargement and Germany's role in the enlargement debate within the EU since 1989. The third and final

section attempts to draw some conclusions about which factors have influenced German views on enlargement, including internal EU and extra-EU factors and developments.

The German Interest in Enlargement

Since the opening of the Berlin Wall Germany has been among the strongest supporters of EU enlargement to incorporate the postcommunist states of Eastern Europe. Germany is certainly the main supporter of enlargement among the large member states, matched perhaps only by Britain. British and German support for enlargement stem from different interests and motivations, however. While both feel that enlargement would help bring stability and security to Eastern Europe, the British government (at least under Thatcher and Major), views an early enlargement as a means of diluting the EU and subverting further integration through increased numbers and diversity; the German government, by contrast, has steadily asserted that widening and deepening were not incompatible goals, and that both could be attained simultaneously. Moreover, British support for enlargement has diminished recently as it has become apparent that enlargement could lead to more "flexibility" within the EU, possibly resulting in British marginalization as a core group of countries, led by Germany and France, forges ahead with more integration in a wider Europe.

The impact of enlargement on the EU's internal dynamics and institutions is a crucial issue, and it will be seen that this has been a major factor influencing German enlargement policy. Aside from different views on this score, the sources of Germany's interest in enlargement are quite different from those of Britain's, and indeed are unique among EU member states. Germany's interest in enlargement derives from its geographical location in the center of Europe and on the eastern border of the EU, its traditional economic, political, and cultural ties to Eastern Europe, and from its tragic history.

A primary reason for Germany's support of enlargement are traditional geopolitical and security concerns. Throughout its history Germany has paid the price in terms of war and insecurity of its central geographical location (*Mittellage*) in Europe, often between hostile powers. During the cold war, a divided Germany had its borders and security ensured by integration into opposing superpower alliances, an arrangement which proved to be stable until the disintegration of the communist bloc in 1989. In the post-cold war environment, however, a united Germany peers once again at geopolitical uncertainty to its east.

From the standpoint of German security interests, EU enlargement would offer two primary benefits. First, it would move Germany from the eastern border of the EU to a more comfortable position in its middle. Thus it would have, in the form of Poland, the Czech Republic, Hungary, and possibly other postcommunist states the "buffer zone" of allied and friendly

countries that it has so often sought in the past, although through more unpleasant means. Protection against the threat of renewed Russian nationalism and great power ambition is clearly the purpose of such a buffer zone. For Germany, from a strictly geopolitical perspective, enlargement is a question of vital national interest. As Chancellor Helmut Kohl has repeatedly emphasized since 1990, it is unthinkable and unacceptable that the German border with Poland remains for long the eastern boundary of the EU.

The second major security benefit to Germany of enlargement would be the political stability it would bring to Eastern Europe -- through increased prosperity, support for democracy, and the provision of security. Such stability would prevent what for many Germans is an even more serious security threat than renewed Russian nationalism -- the spillover consequences of instability in the form of mass immigration, terrorism, and environmental degradation. Through enlargement, or at least the prospect of it, the EU can "export" stability and thereby help guarantee its own security. The recognition that European security is indivisible is behind yet another statement that is frequently repeated by Kohl and other German leaders, that "In the long run things cannot go well in one part Europe if they are going badly for the other part" (*Bulletin* 1996a, 871).

The German interest in enlargement is also economic. Just as Germany's geographical location makes it the most vulnerable member state to security threats from the east, it also makes

Germany the country most likely to benefit from the economic opportunities afforded by postcommunist Europe. Since 1989 Germany's trade with Eastern Europe has grown at a breathtaking pace, and by the end of 1996 already represented 9 percent of Germany's total foreign trade, roughly the level of its trade with the United States. Moreover, this trade volume is predicted to double by the year 2000. Trade with Eastern Europe is also an extremely profitable relationship for Germany, resulting in a \$9 billion surplus in 1995. Unsurprisingly, Germany dominates EU trade with Eastern Europe, being responsible for around one-half of the EU total (Kinkel 1996).

Beyond trade, Eastern Europe provides economic opportunity for Germany by providing German companies with a geographically proximate yet lower-cost location for productive investment. Germany is far-and-away the largest source of private investment for Eastern European countries. Since 1989 numerous German companies in sectors such as automobiles, chemicals, and small manufacturing have established factories in Eastern Europe from which they have supplied the EU and other markets.

Enlargement of the EU would therefore promote German economic interests by securing stable markets for trade and investment. While this objective could also be partially satisfied through the establishment of links which stop short of full membership (ie., free-market arrangements and the current Europe Agreements), it is clear that long-term consolidation of economic relations between Germany and Eastern Europe, and the

maximization of economic benefits from this relationship, would be best promoted through enlargement. Among other things, enlargement would ensure against threats to economic relations and investments posed by political instability in new member countries; in this sense economic and security arguments for enlargement are closely linked. Taking an enlightened view of economic self-interest, German elites recognize that in the long run Germany cannot prosper if the affluent West is separated from a poor East. Such a division would not only result in an underutilization of economic opportunities, but would also threaten the stable political context of East-West trade and Western economic prosperity.

Finally, Germany's interest in enlargement has sources in feelings of moral duty and responsibility. These stem from the desire to atone for Germany's past aggression towards Eastern Europe, especially under the Nazi regime, as well as, according to one observer, "pangs of conscience in realizing that Germany's own postwar prosperity was built on Soviet victimization of East Europeans and the erection of an iron curtain that let modernization proceed in Western Europe without being overstrained by claims from the East" (Pond 1996, 32-33). German political leaders have also repeatedly emphasized that Germany has a special responsibility to promote enlargement for an additional reason -- the debt of gratitude owed to the people of Eastern Europe, especially Hungarians, Poles, and Czechs, whose struggle for freedom made German unification possible. There are

also guilt feelings about the "gift of reunification," which allowed East Germany to automatically gain entrance to both the EU and NATO while other former communist countries have been forced to wait outside (*Bulletin* 1996a, 869).

Among German leaders there is also a sense of moral obligation to honor past promises and commitments. As Chancellor Kohl has said, during the cold war the EU told its eastern neighbors that "We would gladly welcome you into our Union, if only the geopolitical opportunity to do so were there" (*Bulletin* 1996b, 1117). Now that the geopolitical conditions have changed, he argues, the EU "should not, for God's sake, disappoint the trust that these countries have put in us." Such a failure, he continues, would destroy the EU's credibility, and "would be a terrible loss that we in Europe would not quickly recover from" (*Bulletin* 1996a, 871).

If the EU were to delay enlargement for an extended period of time, however, no country would lose more credibility than Germany, which early on declared itself a key supporter of enlargement, and repeatedly assured Eastern Europeans that it would serve as their primary "advocate" (*Anwalt*) within the EU in their attempt to gain membership. As the events of 1989 recede into the distant past without entry negotiations having begun, it is Germany's political reputation and credibility in the East which is threatened the most.

For security, economic, moral, and political reasons, therefore, Germany has a strong interest in enlargement. A strong

interest in something does not a policy make, however, and in the following section the evolution of German enlargement policy since 1990 will be examined.

The Evolution of German Policy on Enlargement

After the Wall: 1990-1992

In the aftermath of 1989 Germany strongly supported EC openness to Eastern Europe. In numerous public statements and speeches German government officials stressed the need for giving the postcommunist democracies a "clear European perspective" (*Bulletin* 1990a, 1483). This included the possibility of new institutional links between the EC and Eastern European countries. In the initial months after the fall of the Berlin Wall, however, the stress was on the "association" of Eastern European countries with the EC, and the possibility of full membership was only vaguely hinted at (*Bulletin* 1990b, 167).

After formal German unification in October 1990, and especially after dissolution of the Warsaw Pact in March 1991, an increasingly confident Germany began calling for the formal admission of Eastern European countries to the EC. In a November 1990 speech to the *Bundestag*, Chancellor Kohl gave tentative backing to Poland's membership in the Community, although he stressed that this could only occur at the end of a lengthy process of economic and political cooperation (*Bulletin* 1990c,

1395). In a May 1991 speech in Washington, D.C., Kohl argued that, even though the road would be long and difficult, the EC "should not obstruct the path to the Community of those countries who meet the requirements for admission" (*Statements & Speeches* 1991a, 4). In his address to the U.N. General Assembly in September 1991, Foreign Minister Hans-Dietrich Genscher declared that the EC must open itself to full membership for Eastern European countries (*Statements & Speeches* 1991b, 1). German support for the EC membership of Poland, Hungary, and Czechoslovakia was also written into the bilateral treaties Bonn signed with these countries in 1991-92 (*Bulletin* 1991, 542; *Bulletin* 1992a, *Bulletin* 1992b).

In their early proclamations of support for enlargement German officials did not mention a timetable. This changed after agreement on the Maastricht Treaty in December 1991. According to Genscher, "In Maastricht [the EC] agreed on the timetable for deepening the Community. Now we must agree on the timetable for its enlargement" (*Statements & Speeches* 1992). During a visit to Warsaw in February 1992, Genscher declared that Poland, Czechoslovakia, and Hungary should become full EC members "as soon as possible" (*Financial Times*, February 5, 1992, 2). This was followed by Genscher's statement in March that he expected these three countries to become EC members by the end of the decade (*Financial Times*, March 23, 1992, 3). In May, a top Foreign Ministry official, Ursula Seiler-Albring, declared that Poland, Hungary, and Czechoslovakia had a "realistic possibility

of joining [the EC] around the year 2000" (*New York Times*, May 13, 1992, A4).

It was also becoming apparent that Germany preferred a fairly limited enlargement, with priority given to its immediate eastern neighbors. In April 1992 Chancellor Kohl drew attention when he publicly implied that enlargement should stop with Poland, Hungary, and Czechoslovakia. The former Soviet states, he declared, should not join the EC but instead form their own economic bloc (*Bulletin* 1992c, 356).

Germany's enthusiasm for enlargement was not shared by other member states. In particular France was skeptical. The French government feared that enlargement would weaken the existing core of the EC, and would thus undermine the traditional French policy of controlling Germany through integration. Further deepening of the EC was viewed by France as particularly necessary following German unification and the geopolitical changes of 1989. Further integration of Germany was thus a key objective of the Maastricht Treaty, with the French government attaching particular geopolitical importance to EMU. In addition, France believed that enlargement would only increase German power and influence within the EC; not only would it add to the Community a group of countries bordering Germany, and over whom Germany was bound to exercise considerable economic and political influence, but it would also leave Germany at the geopolitical center of the EC, while France would be pushed to its margins.

For these reasons the French government opposed enlargement, at least for a while. In a June 12, 1991 radio address President Francois Mitterrand declared that it would be "tens and tens of years before Eastern European countries could join the EC." As an alternative to enlargement France proposed a number of other multilateral solutions to the problem of creating order in Eastern Europe. Most notable in this regard was Mitterrand's proposal for a "European Confederation," a loose grouping of states that would serve as the basis for pan-European consultation and cooperation. The European Confederation idea was first suggested by Mitterrand on December 31, 1989, and it was discussed in detail in June 1991. In the end, however, the Confederation idea failed because it was opposed by the Eastern European states, who correctly saw it as an attempt to forestall enlargement.

The European Confederation idea was also rejected by Germany, precisely because it was designed as a substitute for full membership. For the same reason, the Kohl government opposed the April 1991 plan of Commissioner Frans Andriessen for "affiliate membership," which would give Eastern European countries a voice in EC institutions but no voting rights. In resisting such plans Germany insisted that the prospect of full membership was necessary to give the governments and peoples of postcommunist countries the incentive to carry out difficult economic and political reforms. Moreover, anything short of full membership would betray commitments made to Eastern European

countries during the cold war.

In direct contrast to France, the German government argued that widening and deepening of the Community were not contradictory processes, but could in fact occur together (cf. Genscher 1992). With the onset of the Maastricht Treaty ratification crisis that was triggered by the Danish veto in June 1992, however, German attention became much more focused on internal EC developments. Nevertheless, throughout the ratification struggle Chancellor Kohl called attention to the expectations of Eastern European countries and the EC's responsibilities to this part of Europe as reasons to resolve the Community's internal turmoil (cf. *Bulletin* 1992d, 968; *Bulletin* 1992d, 1194).

Copenhagen to Essen: 1993-1994

Despite the EC's internal problems, pressure from Germany and other pro-enlargement member states (primarily Britain and Denmark) resulted in the first formal promise of eventual membership for Eastern European countries being made by the June 1993 European Council in Copenhagen. At this meeting EU leaders linked membership to a number of conditions, including the possession of democratic institutions and market economies, governance by the rule of law, and adequate protection of rights for ethnic and cultural minorities. A further, and perhaps ultimately more imposing, condition was "the Union's capacity to absorb new members, while maintaining the momentum of

integration." This directly linked future enlargement to the success of ongoing efforts at deepening and institutional reform. The Copenhagen summit set no timetable for enlargement, however, nor did it give any indication when entry negotiations might begin (*Bulletin* 1993, 632-633).

With final ratification and enactment of the Maastricht Treaty in October 1993, the German government turned its attention to Eastern Europe. In particular, Bonn sought to use the German presidency of the EU in the latter half of 1994 to achieve real movement on enlargement. On assuming the presidency, the German government declared the integration of Eastern Europe to be a central priority (*Statements & Speeches* 1994a, 3-4).

A major step towards enlargement occurred at the December 1994 European Council in Essen, which approved a "pre-accession" strategy for Eastern Europe. This strategy included the promise to provide prospective members, by spring 1995, with a set of guidelines for aligning their economies and legal systems with the EU's internal market. It also included the promise of financial aid to assist Eastern European countries in making these adjustments. The summit also held out the prospect of membership for some Eastern European countries by the year 2000, although it declined to establish a timetable for accession negotiations (*Bulletin* 1994a, 1073). While happy with the results of the summit, Chancellor Kohl nevertheless cautioned that it was "important not to awaken any false expectations" among Eastern European countries about early membership (*Bulletin* 1994b, 1087).

The German push for enlargement provoked a reaction by France and other Mediterranean member states, however. The governments of these countries were concerned about the eastward tilt of the EU and the increased influence this would give Germany. They also stressed that the EU faced security threats not only to its east, but also from the south due to poverty and political instability along the southern rim of the Mediterranean. For this reason, the French EU presidency in the first half of 1995 sought to "rebalance" the EU by promoting a program of aid to Northern Africa. These efforts led to the approval of a Mediterranean aid package by the Cannes European Council in June 1995. The Cannes summit also approved financial aid to Eastern Europe and the Commission white paper which detailed the administrative and legal reforms necessary for EU membership (*Bulletin* 1995).

On the whole, by 1994 there was growing recognition within the EU that eastern enlargement was both inevitable and necessary. This recognition stemmed largely from German pressures, and from the growing awareness of other member states that enlargement was as necessary to bind Germany to the EU as further deepening. Without enlargement, Germany would be increasingly tempted to become a unilateral actor in Eastern Europe. Enlargement would give the EU a greater collective presence in Eastern Europe, and would provide France and other member states with some leverage over German actions in this part of Europe. France and other member states, therefore, had come to

agree with Commission President Delors that," If the rest of the Community wants Germany to remain firmly anchored inside the EC, Eastern Europe cannot be left outside it" (Gower 1993, 289).

The Madrid Summit: 1995

In 1995 Germany sent contradictory signals about enlargement. In comments made in July Chancellor Kohl seemed to indicate growing German impatience with the pace of enlargement. Speaking in Warsaw, Kohl publicly promised that Poland, the Czech Republic, and Hungary would enter the EU by 2000, thus becoming the first European leader to set a definite date for enlargement. The statement surprised nearly everyone, including Kohl's own aids, and the Chancellor later backtracked to say that he meant only that these countries would be formally assured of EU entry by 2000, not that they would be full members by that date (*Deutschland Nachrichten*, July 14, 1995, 1; *Economist*, July 15, 1995, 35-36).

At the same time the German government was becoming increasingly concerned about several problems of enlargement. One of these was reform of the EU's decisionmaking institutions, something which Bonn believed was necessary before enlargement could occur. The German government argued that the EU's present institutions, which were created for a community of six, were already inadequate for decisionmaking in a more integrated community of fifteen, and would certainly not work for a more diverse grouping of twenty-or-more countries. Without

institutional reform an enlarged EU would be paralyzed. Looking forward to the Intergovernmental Conference (IGC) set to begin in March 1996, Bonn was pressing for significant institutional reform, and especially more qualified majority-voting, as a precondition for enlargement (*Financial Times*, June 5, 1995 1; *Statements & Speeches* 1995, 3).

The German government was also concerned about the anticipated financial costs of enlargement. As the largest net contributor to the EU budget (about 30 percent of the total), Germany wanted budgetary reform that would balance the contributions of member states and reduce its own, in the words of Finance Minister Theo Waigel, "one-sided and exaggerated burden" (*Financial Times*, April 6, 1995, 1). Without such budgetary reform, Bonn felt that enlargement would be much too costly, and that Germany would end up paying a disproportionate share of these costs.

The issue of budgetary reform was linked to the reform of existing and expensive EU policies, in particular the Common Agricultural Policy (CAP) and regional policy, which between them ate up close to 80 percent of the EU budget. Efforts to reform these policy programs, however, were sure to meet with opposition from interest groups and member states that were their primary beneficiaries. In particular, Spain and other "poor" member states feared the loss of regional aid and threatened to block enlargement without the guarantee of adequate "cohesion" assistance in the future. To the extent that enlargement was

contingent upon such policy and budgetary reform it could be delayed by conflicts between member states over these issues.

To address these concerns, in September 1995 the German government proposed a four-year reform timetable that would parallel the upcoming IGC, and would be concluded in time for the 1999 launching of EMU. This effort would encompass budgetary reform and the restructuring of CAP and regional policy. While none of these issues were formally a part of the IGC, the German government saw them as closely linked. The main goal of these reforms would be to prepare the Community for EMU and enlargement, which according to Deputy Foreign Minister Werner Hoyer remained Germany's two main priorities (*Financial Times*, September 13, 1995, 3).

Prior to the Madrid summit controversy erupted over the strategy for entry negotiations. Chancellor Kohl announced that negotiations with Eastern European countries should begin six months after the conclusion of the IGC to coincide with the beginning of negotiations with Malta and Cyprus. Kohl also stated that he favored combining an early admission for Poland, Hungary, and the Czech Republic, possibly around 2000, with long transition periods. In urging early admission, Kohl argued that clear signals were needed from the EU to support economic reforms in these countries and prevent a political vacuum from emerging in Central Europe (*Financial Times*, December 14, 1995, 1).

In pushing for a strategy of limited enlargement two main considerations appeared to influence German policy. The first of

these was concern about the financial and institutional consequences of enlargement. A limited enlargement would minimize the short-term costs and institutional consequences of widening, while allowing more time for difficult internal reforms to be negotiated. Under the German plan, these reforms could be carried out in parallel a the lengthy transition process for new member states.

Also important were geopolitical and security considerations, with Germany reluctant to admit countries to the EU that were not likely to also be admitted to NATO; to do so would amount to the *de facto* extension of security guarantees to Eastern European countries without the capacity to fulfill them. This "complementarity" doctrine began to emerge in late fall 1994, with separate delarations by Kohl and Kinkel that NATO and EU enlargement were closely linked matters (*Statements & Speeches*, 1994b, 3; *Bulletin* 1994c, 1042), and it was reinforced in numerous statements by German government officials throughout 1995. The complementarity doctrine particularly applied to the Baltic states, since Bonn feared that EU membership would encourage their demand for Western security guarantees, something which the West could not give them without antagonizing Russia (*Financial Times*, December 14, 1995, 1).

By urging priority for Poland, Hungary, and the Czech Republic, however, the German government angered Scandinavian member states (especially Sweden and Finland) who did not want to see the Baltic countries, with whom they had strong economic and

cultural ties, excluded from the first wave of eastern enlargement. Instead of allowing geopolitical considerations to determine enlargement, the Scandinavians favored admitting new members on the basis of adherence to objective entry criteria and a more immediate and vigorous reform of CAP and regional policy (*Financial Times*, December 15, 1995, 2).

The December 1995 Madrid European Council marked a key step in the enlargement process, offering the prospect of beginning entry negotiations with Eastern European countries in early 1998. The summit, which was attended by Eastern European government leaders, achieved a compromise between the German preference for admitting only a limited group of countries in the first wave, and the French and Scandinavian demand that all applicant countries be treated equally. The European Council announced that the EU would establish objective criteria for membership, and that the Commission would give its opinion on individual candidates after the conclusion of the IGC, probably sometime in 1997. On the basis of this opinion, national leaders would then decide which countries the EU should begin negotiations with ("Presidency Conclusions" 1995). As a result of this decision, while for now the principle of equal treatment applied, the possibility for later political discrimination remained. After the summit, a satisfied Kohl declared that the EU had "set the switches" (*die Weichen gestellt*) for enlargement (*Süddeutsche Zeitung*, December 18, 1995, 1).

1996 and Beyond

The EU's enlargement strategy was further clarified in 1996. By the fall a Franco-German condominium began to emerge. In September, French President Chirac pledged his government's support for Poland's entry into the EU by 2000, thus echoing earlier statements made by Kohl. Chirac also proposed a standing "European Conference" that would include current member states and all candidate countries. This permanent conference would be a forum for political and economic consultations between the EU and Eastern European countries, while serving as a nondiscriminatory way of beginning enlargement negotiations (*Financial Times*, September 13, 1996, 3).

Chirac's pledge of EU entry for Poland by 2000 was wildly unrealistic, and was partly meant as a conciliatory gesture towards Germany. By this point, however, Germany's own enthusiasm for an early enlargement appeared to be waning. In November 1996, while taking pains to ensure Eastern European governments that enlargement remained a top priority for the EU, Germany's Kinkel admitted that even the earliest new entrants would not be able to join until after 2000 (*Financial Times*, November 25, 1996, 3). As Kinkel would later put it, the EU's eastern enlargement is "for obvious reasons more complicated than previous enlargement rounds" (*Bulletin* 1997a, 306). According to a top foreign policy adviser of Kohl, with enlargement "We have underestimated the difficulties" (*Economist*, December 7, 1996, 46). Some Eastern European countries as well have apparently accepted the likelihood

of delayed entry. In March 1997 Poland's ambassador to the EU, in reference to Germany, declared that "Even those countries with a strategic stake in admitting Poland will have practical, technical difficulties [with enlargement] (*Financial Times*, March 12, 1997, 13).

One factor which makes a delayed enlargement more palatable for both Germany and Poland (as well as Hungary and the Czech Republic) is the likelihood of NATO expansion by 1999. NATO expansion will partly satisfy German security interests in Eastern Europe and the desires of Poland, Hungary, and the Czech Republic for integration into Western institutions. In this manner, NATO expansion has reduced the pressures for EU enlargement, thus buying the EU time for implementing EMU and accomplishing difficult institutional and policy reforms.

In the meantime, Germany has moved towards the French position on a strategy for enlargement negotiations. In November 1996 Kinkel announced that he favored the French idea of a standing European Conference that could be called into being immediately after conclusion of the current IGC (Kinkel 1996). This conference would exist parallel to the beginning of real negotiations with the smaller set of countries that are deemed capable of taking on the full *acquis communautaire*. The decision on which countries are ready to begin formal negotiations would presumably be taken in fall 1997, on the basis of detailed opinions being prepared by the Commission (*Bulletin* 1997a, 306). Such a strategy, according to Kinkel, would allow the EU to

pursue a policy of "differentiation without discrimination" towards the Eastern European countries (Kinkel 1996; Kinkel 1997a; Kinkel 1997b).

A primary objective of the Conference strategy is to ease the "dual rejection shock" for Eastern European countries not included in the first wave of either EU or NATO enlargement by promoting further links to the EU and holding out continued prospects for future membership. Such a "cushioning strategy" is deemed necessary to give non-first wave entrants the incentive to continue with economic and political reforms while avoiding the emergence of a geopolitical vacuum or "gray zone" in Eastern Europe that could become the source of future instability (*Bulletin* 1997a, 306).

The German government continues to emphasize, however, that development of a negotiation strategy is only one part of the enlargement challenge. Before enlargement can occur, the EU must accomplish two sets of internal goals. The first of these is EMU, which remains the key European policy priority for the Kohl government. While this has not been explicitly stated, it is highly unlikely that Bonn would approve of enlargement before 2002, the date for final completion of EMU. Recent statements by German government officials have also implied a priority for EMU over enlargement (*Bulletin* 1997a, 184-185).

The second German precondition for enlargement is EU institutional and policy reform. This includes the successful conclusion of the IGC, with the introduction of more majority

voting and greater "flexibility" (cf. *Bulletin* 1997b, 185). The latter concept, which would allow some member states to forge ahead with more integration over the objections of others, was proposed by the French and German governments in October 1996 with the justification that it was necessary for effective decisionmaking in a larger EU (*Financial Times*, October 23, 1996, 3). Bonn also continues to insist that budgetary reform and the reform of CAP and regional policy are a necessary precondition for eastern enlargement (Kinkel 1996).

Analysis and Conclusions

Since 1989 German policy on EU enlargement has evolved from an enthusiastic but vague support for rapid enlargement to a more cautious and selective approach. The current German strategy favors the initial admission of a limited group of countries -- Poland, Hungary, the Czech Republic -- probably sometime after the year 2002, while not "closing the door" on the future admission of other Eastern European applicants. To assure non-first wave entrants that the EU door remains open, the German government has accepted the French proposal for a standing European Conference that will embrace all current member states and candidate countries. In a March 1997 meeting at Apeldoorn (the Netherlands) EU foreign ministers decided that this conference will begin after conclusion of the current IGC --

probably sometime in the first half of 1998 (*Financial Times*, March 17, 1997, 2).

Bonn has not yet publicly indicated whether it supports opening formal entry negotiations with only a limited number of vanguard states, or with all candidate countries together -- the so-called "regatta" or *Startlinien* model -- and then allowing negotiations with some applicants to proceed at a faster pace. There could also be a compromise model in the works which would differentiate between two stages of entry negotiations: a "pre-negotiations" in which all applicants would participate, and a "real negotiations" which would be limited to only a few advanced states (Friis and Murphy 1997, 27-28). At the moment, the German government merely says that its policy on enlargement negotiations is to "differentiate without discriminating." While it is clear that the German vision of an enlarged EU does not include newly independent states of the former Soviet Union, there remains uncertainty and controversy over the status of the Baltics.

In the evolution of German policy on enlargement it is clear that two main sets of factors have played an influential role; these can be loosely termed "internal" and "external."

Greatly affecting German policy have been internal EU politics and institutional developments. To begin with, the German push for eastern enlargement has provoked a counter-reaction among other member states -- principally France and other Mediterranean countries -- who fear that enlargement will

increase relative German power and influence in the Union, while also shifting EU resources and attention towards Eastern Europe and away from the unstable and potentially volatile southern rim of the Mediterranean. Responses to German *Ostpolitik* advanced by these countries have included the proposal of alternative multilateral arrangements for security and stability in Eastern Europe (ie., the "European Confederation"), and the effort to "rebalance" the EU through greater policy attention to its southern "near abroad." By generating new tensions between Germany and France (as well as other southern member states) Bonn's push for enlargement has complicated the EU's internal politics and created additional constraints on German policy.

Another internal factor affecting German enlargement policy has been the need to reform EU decisionmaking institutions and policy programs in preparation for enlargement; this includes the introduction of more majority voting and flexibility in the development of common policies, budgetary reform, and the reform of expensive programs such as CAP and regional policy. Different national interests and priorities, however, make such reforms extremely difficult to achieve. The Franco-German proposals for flexibility, for example, are strongly opposed by sovereignty-conscious Britain, while the reform of majority-voting procedures has generated conflicts between large and small member states. Similarly, efforts at budgetary and policy reform are hindered by the concerns of poor member states about a reduction of EU financial assistance. The need to reach agreement on such

institutional and policy reforms is amply recognized by Germany, which fears that otherwise an enlarged EU would become ineffective and destabilized, and for Germany simply too expensive. Growing awareness of the complexity and difficulty of achieving such reforms, however, has led German policymakers to accept a more limited and delayed course for enlargement.

A third internal factor affecting enlargement is EMU, which represents the EU's plans for further deepening in response to German unification and the end of the cold war. The EMU project is of existential importance to the Kohl government and the Franco-German partnership, and Kohl and other EU leaders have sunk far too much political capital into the project to see it fail now. For Germany, it is clear that successful implementation of EMU is a top priority. It is also apparent from the statements and actions of policymakers that for the Kohl government EMU has priority over enlargement. While it is not explicitly stated that these two issues are linked, they clearly are; it is highly doubtful that Germany would agree to another enlargement before EMU was up and running. This means that, while entry negotiations for some countries may begin in 1998, their formal entry into the EU is unlikely to occur before the final implementation of EMU in 2002 (the replacement of national currencies by the euro). At the same time, a delay or problems for EMU could have a knock-on effect for enlargement, pushing the timetable for entry back even farther.

In addition to these internal EU factors, there is also an

external factor of crucial importance which has influenced German views on enlargement: NATO expansion. It is apparent that Germany from the beginning has favored the parallel eastward expansion of these two important institutions, and that it views the limits of NATO expansion as setting the boundaries for EU enlargement.

According to German Foreign Minister Kinkel, by enlarging the EU does not want to "import any new conflicts" (Kinkel 1997a), which could happen if new Eastern European members were not simultaneously covered by the NATO security blanket. The view that NATO and EU membership should overlap is behind the Kohl government's argument that the former Soviet republics do not belong in the EU; it is also the source of problems concerning the potential EU membership of the Baltic states. These countries have strong cultural and economic links to Western Europe, and strong advocates within the EU in Sweden and Finland. They are not soon, if ever, likely to gain NATO membership, however, since this would meet with fierce Russian opposition. It is exactly for this reason that the U.S. government has been promoting EU membership for these countries, as a "consolation prize" that would prevent them being consigned to a geopolitical "gray zone" and leaving them vulnerable to Russian pressure. This is a view, in fact, which has some support in the German government in the person of Defence Minister Volker R  he (*Frankfurter Rundschau*, September 30, 1996). His is a minority view, however, and the German government remains averse to admitting new members which will not also be admitted to NATO.

NATO's expansion has also affected Germany's preferred timetable for EU enlargement. While Chancellor Kohl denied this linkage during his July 1995 visit to Poland, it is apparent that Germany preferred EU and NATO enlargement to occur together, or that NATO enlargement take place ahead of EU enlargement. The latter is, in fact, happening with Poland, Hungary, and the Czech Republic (each due to enter NATO in 1999), and this is not to the total displeasure of Bonn. By partially satisfying the demands of these countries for Western security guarantees and integration into Western institutions, NATO expansion allows EU enlargement to be delayed, thus giving the EU more time to deal with implementing EMU and make difficult internal reforms.

Compared to these internal-EU and external factors, domestic politics does not appear to be a major influence on German enlargement policy -- at least not directly. Certainly the difficult experience of integrating East Germany has had a sobering effect on German policymakers, making them aware of just how difficult and costly full integration of postcommunist countries into the EU might be. At the same time, Germany's domestic economic difficulties have bolstered political concerns about Germany's contributions to the EU budget, and fed Bonn's demands for EU budgetary reform as a precondition for enlargement. It is also certain that competition from lower-cost producers in new Eastern European members will cause problems for German domestic producers, but this is something they already face as a consequence of association agreements and the

progressive liberalization of trade between the EU and Eastern Europe. Of more concern, in view of current high levels of unemployment in Germany, is increased immigration and labor market competition from Poles and other Eastern European job-seekers once enlargement occurs and barriers to the free movement of labor disappear. Because of such current and potential problems, most Germans are not particularly keen on enlargement anytime soon, with a 1994 poll revealing that only 24 percent wanted to admit Eastern European countries into the EU (*Der Spiegel*, December 5, 1994, 144). Nevertheless, it is difficult to determine that such public sentiment has had much direct impact on federal government policy.

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