

Just what is this 'absorption capacity' of the European Union?

Michael Emerson
Senem Aydin
Julia De Clerck-Sachsse
Gergana Noutcheva

Abstract

There is a tendency in some political discourse now to say that, because the Constitution that was meant to prepare for enlargement failed to be ratified, the enlargement process has now hit a roadblock called 'absorption capacity'. An alternative narrative is that the Constitution proposed some useful but marginal systemic changes, but its ratification was badly mismanaged by some political leaders. In the meantime, the EU has not experienced gridlock, and its current major political issues have nothing to do with enlargement. The case for a pause after the 2004 and 2007 enlargements is undeniable. EU27 will have to settle down, and sort out the constitutional imbroglio. However the plausible time horizon for any next major enlargement is many years ahead, maybe 2015, with various transitional arrangements pushing the real date in important respects beyond 2020 (e.g. for the labour market). The vague idea of 'absorption capacity' is better de-constructed into more precise and objective components such as the capacity of the EU's internal market, labour market, budget, eurozone and institutional system to absorb new member states, society's capacity to absorb immigration and the EU's capacity for assuring its strategic security. All these issues can be discussed, but they are not static matters. Changes in public opinion may be expected to follow from new realities. The dynamics of enhancing capacities for change deserve priority attention. The 'final frontiers' proposition (presumably to the exclusion of both Turkey and Ukraine at the least) is a thoroughly bad idea, since there are well-established outer limits in any case to the map of Europe (e.g. Council of Europe membership) and to EU membership as in the Treaty of Rome. It would be a strategic blunder for the EU now to invent a new irreversible dividing line within this map between 'real Europe' and an imagined 'other' (uncivilised?) Europe beyond. The term 'absorption capacity' should be dropped from use in official texts, unless deconstructed into objective elements. Otherwise it is giving the impression of some pseudo-scientific and static reality, and plays into the hands of populist political rhetoric.

Michael Emerson is Senior Research Fellow at CEPS, Senem Aydin is researcher at the Free University of Brussels (VUB) and CEPS, and Julia De Clerck-Sachsse and Gergana Noutcheva are Research Fellows at CEPS. The authors thank Daniel Gros, Sebastian Kurpas and Marius Vahl for their helpful contributions.

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JUST WHAT IS THIS ‘ABSORPTION CAPACITY’ OF THE EUROPEAN UNION?

MICHAEL EMERSON, SENEM AYDIN, JULIA DE CLERCK-SACHSSE AND
GERGANA NOUTCHEVA

1. Introduction

Wine can absorb water. Oil cannot. These are eternal and perfectly understood facts of the natural sciences and everyday life. The term ‘*absorptive capacity*’, however, has slid into the official usage of the EU without being rigorously defined, yet with the implication that it stands for an objective reality. The term is being used frequently in political debate alongside two other loaded and ill-defined expressions: ‘*enlargement fatigue*’ and demands to define the EU’s ‘*final frontiers*’.

The concept first appeared in official texts in the conclusions of the Copenhagen summit of 1993, which stated:

The Union’s *capacity to absorb* new members, while maintaining the momentum of European integration, is an important consideration in the general interest of both the Union and the candidate countries’.¹ [emphasis added]

Debate around this term reached a new intensity after the big enlargement of 2004 and rejection by France and the Netherlands of the draft Constitution in May 2005. At the June 2006 meeting of the European Council summit, ‘absorption capacity’ became one of the most controversial issues, resulting in the following conclusions:

The European Union reaffirmed that it will honour its exiting commitments and emphasised that every effort should be made to protect the cohesion and effectiveness of the Union. It will be important to ensure in future that the Union is able to function politically, financially and institutionally as it enlarges, and to further deepen the Europe’s common project. Therefore the European Council will, at its meeting in December 2006, have a debate on all aspects of further enlargements, including the Union’s *capacity to absorb* new members and further ways of improving the quality of the enlargement process on the basis of the positive experiences so far. It recalls in this connection that the pace of enlargement must take the Union’s *absorption capacity* into account. The Commission is invited to provide a special report on all relevant aspects pertaining to the Union’s *absorption capacity*, at the same time as it presents its annual progress reports on enlargement and pre-accession process. This specific analysis should also cover the issue of present and future perception of enlargement by citizens and should take into account the need to explain the enlargement process adequately to the public within the Union.² [emphasis added]

‘Enlargement fatigue’ is an honestly vague political sentiment. It might be a passing mood. Given some period of rest, and with experience of the recent enlargements and some institutional changes, the European body politic might be refreshed and no longer fatigued. The huge recent enlargement of the EU to 25, and imminent move to 27, understandably leads to desires to pause and to gain experience of how the enlarged EU is functioning.

‘Absorption capacity’ is also vague and ill-defined, but the problem here is that it is being used in official texts of the EU, whose language should have precise legal, economic or political meaning. At present the expression is being used at times as a seemingly objective cover for general political sentiments that are hostile to further enlargements. Yet, for example, the recent French and Dutch referenda failures showed how difficult it is to interpret what these two populations were voting against. Was it against the Constitution, or enlargement, or globalisation, or immigration, or just an expression of domestic political tensions?

¹ European Council Meeting in Copenhagen, 21-22 June 1993, SN 180/1/93, p. 14.

² European Council, Presidency Conclusions, 15-16 June 2006, p. 18.

Part I – Political Attitudes and Public Opinion

2. Origins and current political positions

While the present debate on the ‘absorption capacity’ of the European Union regarding further enlargement has taken on a new intensity, the concept itself is not new. It has in fact been on the table since the Copenhagen Summit of 1993, as noted above.

The concept, however, resurfaced in the European debate in 2005. This revival has strongly been linked to prospects of further enlargement, particularly to the most sizeable candidate, Turkey, along with Western Balkans as well as to the rejection of the Constitutional Treaty by the referenda in France and the Netherlands, which was perceived by the political elite as part and parcel of the dissatisfaction of the public with the functioning of the European project. This re-emerging of the concept in the public sphere eventually took an official turn with the November 2005 Enlargement Strategy Paper of the European Commission which defined it as the “capacity to act and decide according to a fair balance within institutions; respect budgetary limits and implement common policies that function well and achieve their objectives”.³ The European Parliament was soon to follow in February 2006, with a resolution on the Commission’s enlargement strategy paper, underlining the importance of the concept and inviting the Commission to submit a report by 31 December 2006 that sets out the principles defining the concept.⁴

The debate reached a peak with the June 2006 European Council Summit where ‘absorption capacity’ became one of the most controversial issues of the meeting. With Austria holding the Presidency, Germany, the Netherlands and most particularly France were the key countries that pushed for the debate in the Council meeting and that backed the labelling of the concept in the conclusions as an additional criteria for the candidate countries to enter into the Union. Draft conclusions referred to the concept as an ‘additional criteria’ for entry, but they were however watered-down in the final text by opposition primarily from the UK, Spain, Italy and the new member states.⁵ While stating that the ‘pace of enlargement must take the Union’s absorption capacity into account’, the final conclusions broadly identify political, financial and institutional dimensions to the concept and invite the Commission to provide a special report (with the terms of reference quoted above).⁶

The member state that has played a key role in the recent triggering of the ‘absorption capacity’ debate in Europe has undoubtedly been France.⁷ The most recent French official view conveyed on the issue came from President Jacques Chirac during the June 2006 summit where he initiated the debate by underlining that enlargement ‘should only continue in a process that is controlled and better understood’. He defined the ‘absorption capacity’ of the EU as an institutional, financial and political capacity, the latter concerning the views of the receiving

³ European Commission, 2005 Enlargement Strategy Paper, COM (2005) 561 final, Brussels 9.11.2005, p. 3.

⁴ See European Parliament (2006), Report on the Commission’s 2005 Enlargement Strategy Paper, 3.3.2006, A6-0025/2006.

⁵ Kirsty Hughes, “Constitution Casts Shadow over EU”, BBC news online (retrievable from <http://news.bbc.co.uk/1/hi/world/europe/5094938.stm>).

⁶ Presidency Conclusions, 15-16 June 2006, p.18.

⁷ The term ‘assimilation capacity’ is often used interchangeably with ‘absorption capacity’ in the French debates.

population, which should “be able to say if they accept or not”.⁸ An analysis of the state of the debate in France reveals that there is a high degree of consensus on both the right and the left of the French political spectrum opposing any future enlargement – after Croatia’s accession⁹ – without a substantial reform of EU institutions and decision-making, a strong budget and an agreement on the nature of the European project with the approval of the European people.¹⁰

The limitations imposed by the institutional, financial and political dimensions of the ‘absorption capacity’ are perceived to apply especially to Turkey, which is considered as a serious threat to the institutional balances in the Union with its large number of inhabitants, likely budgetary impact and unpopularity with a large majority of European publics.¹¹ The discussions over Turkish accession reveal yet another dimension of ‘absorption capacity’, that of ‘cultural’ and ‘social’ absorption, which are directly related to the ‘identity’ of the Union. Jean-Louis Bourlanges, an MEP from a French centre-right party vocal on Turkish accession, has argued that the accession of Turkey will not only have a huge economic impact on the EU, but will also introduce a great deal of cultural and social heterogeneity that will endanger the formation of a solid and democratically organised political community.

The Union’s ‘absorption capacity’ also has a high salience in the enlargement debates in Germany. The Coalition Agreement’s section on enlargement opens with the claim that “a circumspect enlargement policy, *which does not overtax the European Union’s capacity to absorb new members*, constitutes an important contribution to peace and stability on our continent”. After welcoming the opening of accession negotiations with Croatia and confirming the ‘European perspective’ for Western Balkans as established in the declaration of Thessaloniki, the document re-emphasises the importance of ‘absorption capacity’ with respect to the EU’s relations with Turkey, a country considered to pose “a particular economic, demographic and cultural challenge” for the EU, hinting at the need to develop a policy of ‘privileged partnership’ should the EU not have the capacity to absorb the country.¹²

The ‘absorption capacity’ debate in Britain is very different from the state of the debate in France and Germany both in terms of content and intensity. The European affairs minister, Douglas Alexander, refrains from suggesting any limits to enlargement and supports further enlargement on condition that membership criteria are fully met by the candidates. The failure to adopt the Constitution is not perceived as an impediment to further enlargement.¹³ While institutional, financial and policy reform is recognised and viewed favourably, the concept of the absorption of enlargement by the publics, the position advocated strongly in France and Germany as well as the notions of ‘cultural’ and ‘societal’ absorption are strongly opposed in Britain.¹⁴ Hence for both the Labour and the Conservative Party, absorption capacity refers to no more than the ability of the candidate to take on obligations of membership and also of the Union to adapt to, to assimilate the candidate. While no official commitment is made to further enlargement beyond Turkey, neither of the parties rules out the possibility of membership for

⁸ Chirac, Jacques (2006), President of the Republic, remarks at press conference given following the European Council, Brussels, 16 June.

⁹ Croatia is understood to be the last candidate state not to be caught by the amendment to the French Constitution in 2005 requiring ratification of all future accessions by referendum.

¹⁰ European Parliament, debate on the ‘Results of the Informal Council of Foreign Ministers (10-11 March 2006)’, 15 March 2006.

¹¹ Interviews by the authors with French UMP MEPS and French bureaucrats.

¹² Coalition Agreement, Section IX, Germany as a Responsible Partner in Europe and the World.

¹³ House of Commons, Foreign Affairs Committee, “Developments in the European Union: 6th Report of Session 2005-2006”, 19 July 2006, p. 33.

¹⁴ Interviews by the authors with British officials, Brussels, May-June 2006.

EU aspirants in the neighbourhood, such as Ukraine.¹⁵ A rather different position in the British debate is taken up by the Liberal Democrats. The Liberal Democrats are also strongly committed to further enlargement and are against the drawing up of definite geographical boundaries. However, unlike Labour and the Conservatives, they place a great deal of importance of the reform of the EU institutions and the strengthening of its competences and its effectiveness.¹⁶

Among the new member states, Poland is the most explicit in advocating membership for Ukraine, without raising ‘absorption capacity’ objections, and most of the new member states probably share this view, given their great interest in supporting Ukraine’s ‘Europeanisation’.

The European Commission defines ‘absorption capacity’ as ‘whether the EU can take in new members while continuing to function effectively’.¹⁷ The issue of public support is acknowledged, highlighting its importance not just for enlargement but for any of the Union’s policies, where the responsibility for communicating enlargement to the citizens on ‘facts’ is attributed to member states and EU institutions.¹⁸ The geographical component is explicitly rejected by Olli Rehn who argues that “it is not deemed sensible to close the door forever by drawing a line across the map to define Europe once and for all, which would seriously damage our possibilities of having a beneficial influence and strategic leverage in our immediate neighbourhood”.¹⁹

As for the European Parliament, a resolution adopted by a large majority of MEPs in March 2006 defines the ‘absorption capacity’ as a criterion for admitting the accession of new countries and, as opposed to the Commission’s position and in line with the stance taken in some member states, argues that defining the nature of the EU, including its geographical borders, is “fundamental to understanding the concept of absorption capacity”. In addition to the specification of borders, institutional reform via the constitution and the necessary budgetary resources for financing the Union’s policies are highlighted as essential components of enhancing the ‘absorption capacity’ of the Union.²⁰ However various speeches reveal the breadth of views. Cecilia Malmstrom, MEP from Sweden and the liberal group, declared: “If we fix the European Union’s borders today, we will prematurely limit the spreading of democracy.” Doris Pack, MEP of the EPP-ED group, declared: “For me the boundaries of the EU are reached with the accession of Bulgaria, Romania and the Western Balkans”. Finally, Commissioner Olli Rehn declared: “We must avoid making enlargement hostage to a theological debate about the final borders of Europe.”

3. Public Opinion and Enlargement

Enlargement has become less popular over the last two years since May 2004, when 10 new member states acceded to the EU, with support for further enlargement declining from a high point of 52% registered in the autumn of 2004 to 45% in the spring of 2006 (Figure 1). However the high point was a time marked by a certain public euphoria around the big moment, and the spring 2006 figure still surpasses the 38% registered in spring 2004. Behind the aggregate numbers, however, there is a very diverse picture of public attitudes towards continuing

¹⁵ Interviews with British officials, Brussels, April 2006.

¹⁶ Interview with a UK Liberal Democrat MEP, Brussels, May 2006.

¹⁷ Olli Rehn, “Europe Needs a New Consensus on Enlargement”, speech at the Eduskunza seminar on the Future of Europe, Pori, 20 July 2006 (accessible at www.europa.eu.int/rapid).

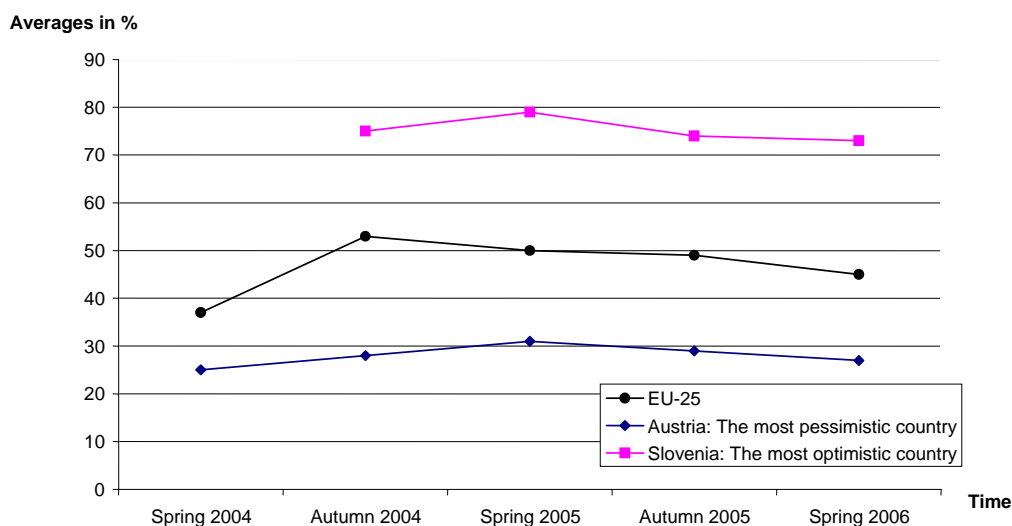
¹⁸ Olli Rehn, speech at the European Parliament, 15 March 2006.

¹⁹ Ibid.

²⁰ European Parliament, Report on the Commission’s 2005 Enlargement Strategy Paper, op. cit.

enlargement of the EU. The new member states are on average much more positive about future enlargement, with Slovenia topping the list with a 73% approval rate. The old member states are generally more sceptical about full inclusion of more countries in the EU project, with Austrian citizens feeling the least enthusiastic about enlargement.

Figure 1. Support for further enlargement in the EU



Source: Eurobarometer.

Cross-country differences notwithstanding, a significant majority of EU citizens (about two-thirds) is strongly supportive of the rationale behind EU enlargement – reunification of the European continent, strengthening of the EU, solidarity with candidate countries and consolidation of common European interests and values.²¹ Even in the enlargement-sceptical member states, the underlying arguments in favour of the process are widely accepted.

A special representative EU-wide survey on attitudes toward enlargement conducted by Eurobarometer in March-May 2006 shows that there is widespread appreciation of the political benefits of enlargement across the member states, alongside negative perceptions of the economic impact on the national markets. While EU citizens are overwhelmingly persuaded that enlargement contributes to peace and stability on the continent, enhances the role of the EU in the world and spreads democracy and human rights, they remain unconvinced of the economic gains for the larger EU.²² They worry about decreased economic opportunities, fear economic relocation to cheaper labour-cost countries and doubt the overall boost to European competitiveness in the global market place.²³ Even though economic studies of the impact of enlargement on the European economy demonstrate that in economic terms enlargement has been a success story,²⁴ the perceptions of European citizens seem to diverge at present from reality.

²¹ See Eurobarometer, “Attitudes towards European Union Enlargement”, Special Eurobarometer survey 255, July 2006, p. 20.

²² Ibid., pp. 29-46.

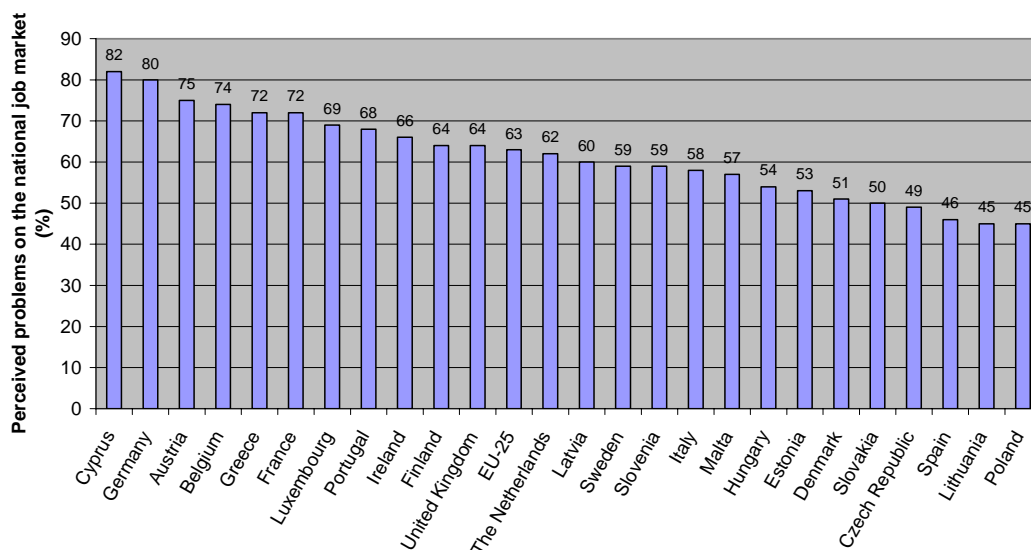
²³ Ibid., pp. 41-46.

²⁴ European Commission, “Enlargement, Two Years After – An Economic Success”, Communication from the Commission to the Council and the European Parliament, May 2006.

A similar reality-perception gap seems to exist on the question of how much enlargement costs to EU taxpayers. Actual numbers show that this is not more than 0.1% of the GDP of old member states,²⁵ yet there is a prevailing fear among EU citizens (57%) that it has a negative impact on their economic well-being.²⁶

When it comes to the social consequences of EU enlargement, voices in the EU are divided, both within the old and the new member states, but a large majority makes a clear link between enlargement and the risk of increased criminality within the EU (62%), illegal immigration in Europe (60%) and settlement of workers from future member states in the EU (73%).²⁷ Still, 66% of EU citizens believe that enlargement strengthens the EU's power to fight criminality and terrorism,²⁸ whereas the risk of large and disruptive migratory flows from new to old member states has not materialised. According to the European Commission's evaluation of the consequences of the 'big-bang' Eastern European enlargement, there have been no disastrous effects on the national labour markets in the two years after accession.²⁹ Yet, significant majorities in Germany, Austria, Belgium and France, among other member states, expect problems with employment opportunities in their countries with further enlargement of the EU – see Figure 2, with little apparent understanding yet of the looming problem of declining labour supply (to which we return below).

Figure 2. Perceived consequences of further enlargement on the national job market in 2006



Source: Eurobarometer data.

On the whole, the opinion polls show that the European public is not against the strategic and political logic behind enlargement and is grossly misinformed about the economic, financial and social consequences of enlargement. EU citizens recognise the importance of the process for the democratisation and economic development of the less developed European countries, but they

²⁵ Ibid.

²⁶ Eurobarometer, op. cit., pp. 47-48.

²⁷ Ibid., pp. 49-59.

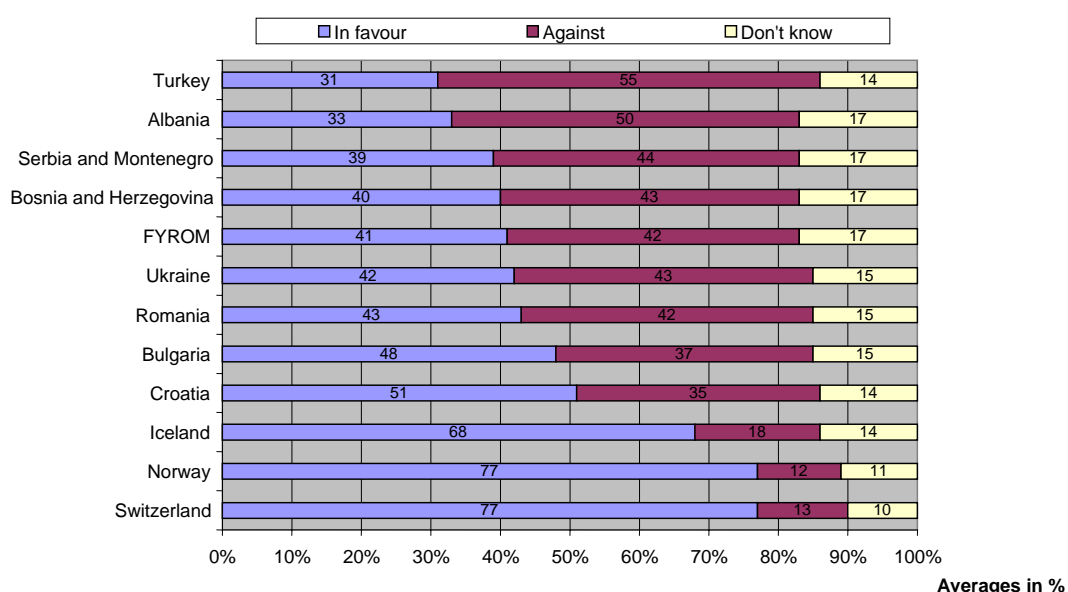
²⁸ Ibid., p. 50.

²⁹ European Commission, "Enlargement, Two Years After – An Economic Success", op. cit.

see it as favouring primarily the EU new and future member states rather than the EU as a whole.³⁰

When asked in 2005 about the countries they would like to welcome as members of the family in the future, EU citizens showed explicit and unequivocal support for the potential membership of Switzerland, Norway and Iceland – see Figure 3. From the Balkans, Croatia is the only country that enjoys the support of more than 50% of EU citizens, whereas Turkey and Albania face sizeable majorities opposed to their EU accession.

Figure 3. The choice of future EU member states - Support for enlargement in 2005

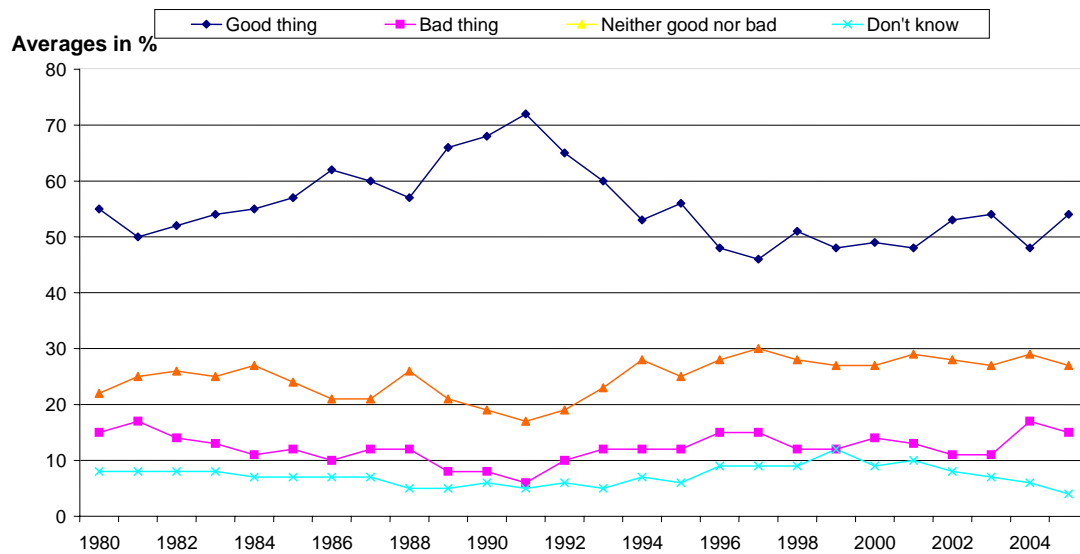


Source: Eurobarometer data.

In view of the long time horizon ahead before any major further enlargement, it is instructive to bear in mind the large swings of public opinion about EU membership, for example over the course of the 25 years recorded in Figure 4. The view that EU membership was a “good thing” rose from 50% in 1980 to a high point of 72% in 1991, before declining to a new low of 46% in 1997 and apparently stabilising in recent years around 50% since then. This volatility over the past decades on very fundamental questions about the EU is confirmation of the need for political leaders to do their job of leadership, rather than to accept the dictatorship of short-term opinion polls readings.

³⁰ Eurobarometer, op. cit., p. 74.

Figure 4. Support for European Union membership from 1980 to 2005



Notes: From 1980 to 1985, data from EU-10 (including Greece for 1980).

From 1986 to 1994, data from EU-12.

From 1995 to 2003, data from EU-15.

For 2004 and 2005, data from EU-25.

Source: Eurobarometer data.

In July 2006, Enlargement Commissioner Olli Rehn called for “a new consensus on enlargement.”³¹ In essence, the social consensus on expanding the zone of peace, democracy and economic prosperity across the whole continent has not disappeared and in this sense continues to provide legitimisation for the commitments the EU leaders have made to the countries of South East Europe. What seems to be needed is a more effective communication strategy that explains the benefits and risks of the process and provides sufficient information to EU citizens on the ways in which their personal situation is affected by the potential accession of aspiring candidate countries. In fact, EU citizens are very consensual in their demand for more knowledge on the consequences of enlargement, in particular from their national governments.³²

Research on political communication and its effects on public support for enlargement has shown that public opinion is very sensitive to the way enlargement is presented and reported by the media – as an opportunity or as a risk for Europe.³³ Less-knowledgeable segments of the society are particularly vulnerable to the framing effects of enlargement news. To avoid the formation of misperceptions about enlargement, it seems imperative to initiate a pragmatic discourse about enlargement where opportunities and risks are discussed in a balanced and neutral fashion. The responsibility of EU leaders for engaging their national publics in such a frank debate on enlargement is obvious.

³¹ Olli Rehn, “Europe Needs a New Consensus on Enlargement”, op. cit.

³² Eurobarometer, op. cit., pp. 4-14.

³³ See Andreas R.T. Schuck and Claes H. de Vreese, “Between Risk and Opportunity: News Framing and its Effects on Public Support for EU Enlargement”, *European Journal of Communication*, Vol. 21, No. 1, pp. 5-32.

Part II – An Attempt to be Objective

4. Outlining the debate

4.1 De-constructing ‘absorption capacity’

The Copenhagen criteria set fairly clear and objective benchmarks for accession candidates to meet:

- Capacity for stable democracy and the rule of law, human rights,
- Capacity to implement the *acquis* and
- Capacity of the economy to cope with the competition in the EU economy.

As the recent enlargement negotiations have shown, these criteria can be assessed in depth, even when some of them require qualitative judgements. The Commission has been making such assessments continuously in their regular reports on accession candidates in great detail. It is notable that the content of these assessments has been very little contested.

It also important in the context of the absorptive capacity debate to note that the Council chose in the cases of Bulgaria and Romania to undermine the full weight of conditionality under the Copenhagen criteria by agreeing in 2004 to their accession in 2007 or 2008 in any case. The Commission was left with the predicament of how to try to negotiate short-term improvements in these countries’ performance. The outcome, as everyone now appreciates, is that these two countries will accede before achieving full compliance with the Copenhagen criteria, especially regarding the rule of law. The current debate about absorption capacity risks confusing the issues by proposing a further criterion. The Copenhagen criteria are about what the candidate states have to do, whereas absorption capacity is supposedly about the EU itself. Proper application of the existing Copenhagen criteria should be one of the conclusions to be drawn from the Bulgarian-Romanian accessions, which would at least in part assuage the anxieties reflected in the absorption capacity debate.

In contrast to the Copenhagen criteria, the ‘absorption capacity’ of the EU has so far no official definition. It could be taken as trying to represent the sum of several more objective and precise phenomena, such as

- Capacity of the goods and service markets to absorb new member states
- Capacity of the labour market to absorb new member states
- Capacity of the EU’s budget to absorb new member states
- Capacity of the EU institutions to function with new member states
- Capacity of society to absorb new member states
- Capacity of the EU to assure its strategic security

However these terms are framing the debate implicitly in static terms. One could alternatively address some dynamic concepts, like the capacity of the EU institutions to adapt, or the capacity of society to adapt. One can easily continue and discuss such matters as the capacity of the economy for non-inflationary growth, taking into account the positive contribution that immigration can make in times of demographic deficit; or similarly the capacity of the public finances to sustain social security entitlements.

Questions of ‘political will’ and or ‘public opinion’ are of course vital matters, and will be influenced by perceptions of the above. However ‘political will’ turns also on political

leadership, which is hardly an objective or fixed reality. One would hope that political leadership would be based on an enlightened view of objective realities, but this is not always the case. Moreover public opinion in the future cannot be forecast, and is known to have been volatile in the past over EU affairs. The European Council's June conclusions also amazingly invite the Commission to take into account the "future perception of enlargement", which is manifestly impossible.

If 'public opinion' is to be identified as part of 'absorption capacity', one is led into impossibly tangled arguments, like the capacity of populations to change their minds as issues become better informed, or as opinion polls are taken at times closer to the real decision point; or the capacity of the referendum instrument to be a good or bad instrument of democratic decision-making depending on the framing of the question or the political circumstances in which it is posed, or the degree of training that the population has in the use of referenda (we are not all Swiss).

4.2 Frontiers for the debate

The debate about absorption capacity is often associated with the related but slightly different question whether the EU should define the limits to its expansion, or for some, its 'final frontiers'. From the beginning the Treaty of Rome stated that "any European state that respects the principles [of democracy, liberty, etc.] may apply" for membership (Art. 49), and the proposed Constitution would have reinforced this by saying that the EU would be "open to all European states that respect its values" (Art. 1-58). In both official and practical terms, 'Europe' can be defined as the membership map of the Council of Europe. This includes all countries that are uncontroversially part of the cartographer's European continent, together with two Euro-Asian nations – Russia and Turkey. Morocco has already tested the idea that North Africa might be considered eligible to be a candidate state, with a negative result. Thus, Europe has its 'final frontier' officially established, and to draw a new 'final frontier' inside the old one would send a counter-productive signal of strategic political significance to the new outsiders.

With regard to possible further EU enlargements, the European non-member states may be grouped as follows:

- The three advanced West European democracies (Norway, Iceland and Switzerland), all of which could easily pass into the EU if they wished
- The seven Balkan states (Croatia, Serbia, Bosnia, Montenegro, Macedonia, Albania, and presumably Kosovo) which have received the Thessaloniki commitments from the EU
- Turkey (1)
- In Eastern Europe, Ukraine and Moldova (2) have long-term ambitions for accession to the EU, but Belarus does not.
- In the South Caucasus, Georgia and Armenia (2) also express long-term ambitions for EU accession, but Azerbaijan has not.
- Russia does not aim at EU accession.

In the extreme hypothesis of enlargement to include all countries that seek accession even in the long term, or that could easily accede if they so wished, this would make an EU of $27 + 3 + 7 + 1 + 2 + 2 = 42$ member states.

4.3 Time dimension and dynamic factors

There is little point in having a debate about *today's* 'absorption capacity', since the next possible enlargements after Bulgaria and Romania have time horizons that could stretch five years ahead in the earliest next case maybe for Croatia, to 10-15 years for others in South East Europe, and 20 years or more for former Soviet Union states. The relevant question therefore, for the EU's institutional capacity, is what the situation could become at these hypothetical future dates – 2015, 2020, 2025.

The relevant time horizon should be stretched even further in some respects, since the actual model for full integration into the EU after the date of accession reveals significant time-lags for the labour market (up to 7 years), the Schengen area (maybe 3 to 7 years), and the eurozone (maybe 3 to 10 years). The next substantial enlargement might for example be supposed to take place around 2015, in which case the full integration of these states might be coming on-stream in around 2020 to 2025.

The extreme scenario for enlargement, with Ukraine, would stretch even further into the 2030s for the period for full implementation, by which time the actual political context will surely have changed in ways we cannot anticipate. Consider how much has changed over the last 25 years. The point is that it becomes impossible to discuss meaningfully questions about absorptive capacity of the EU over the long term, since it depends on so many factors that may change in the meantime.

5. Components of absorption capacity

5.1 Capacity of goods and service markets

The single market for *goods and services* poses no real problem. Member states of the European Economic Area (EEA) are already completely integrated with the EU. Turkey is also integrated to a high degree given its customs union with the EU. The remaining Balkan states have very small and weak economies, and the only issue is their capacity to develop competitive economies. Ukraine is potentially more important, and a free trade regime is already being planned. However, a sustained fast growth by the Ukrainian economy would surely be a plus for the EU both on economic and political grounds.

There is controversy in some member states over the extent of 'de-localisation' as a result of EU enlargement, with a few conspicuous sectors such as the automobile industry experiencing major investments in the new member states. The argument then gets confused with the problems of globalisation, as heard in the French referendum debate. This confusion of enlargement with globalisation is categorically misleading. The major competitive challenge for the EU economy comes from Asia. In this respect, the EU's enlargement into Central and Eastern Europe is an advantage, helping Europe adjust to the global challenge. Integration of the nearby new member states into the European supply chain allows European companies to profit from some low labour cost opportunities, and helps them improve their global competitiveness with relatively smooth adjustments. The alternative is for European enterprises to fail in the global competition. Enlargement is therefore part of the solution, not the problem.

The services market has recently been the subject of intense political debate and negotiation of the EU services directive, given the context of enlargement. In public opinion this has connected with the now mythological 'Polish plumber', a character who is much appreciated in most EU states where this trade is poorly supplied. For better or worse, EU leaders have chosen to be very cautious in only partly opening the service sectors to fully open-market competition, retaining the principle of national regulation rather than that of the home country. This law

therefore dampens considerably the possibility for cross-border competition in service trades. It makes the notion of absorption capacity in this sector as well practically irrelevant.

Nonetheless the political debate in some EU countries has shown a gross confusion of the problems of globalisation with EU enlargement, which political leaders have tended to echo rather than correct.

5.2 Capacity of the labour market to absorb new member states

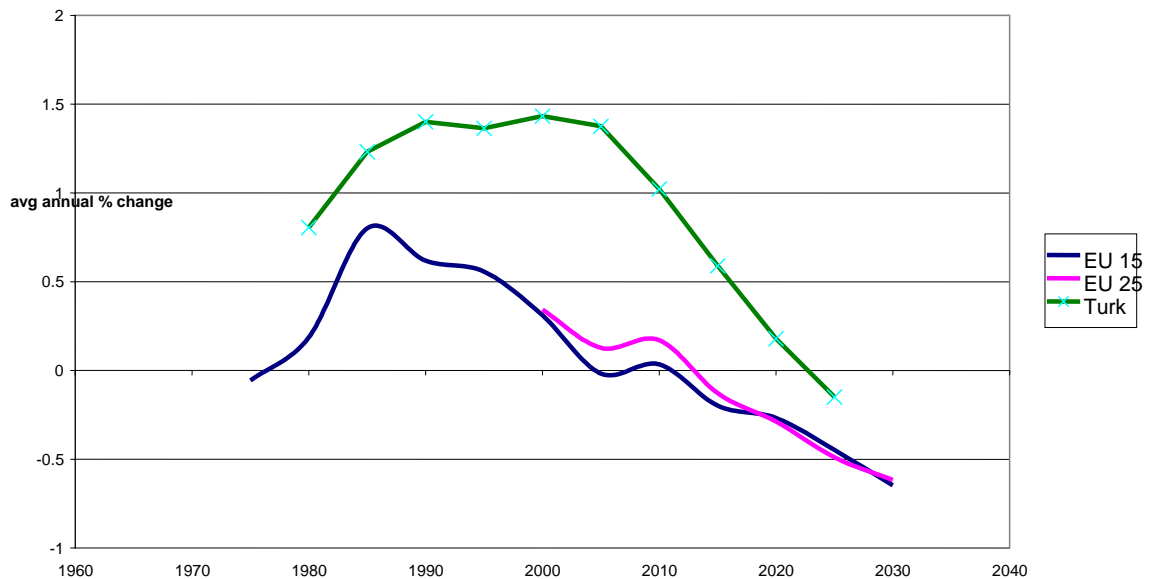
The *labour market* is a more controversial matter. The EU has been taken by surprise by the amplitude of migration in the first year since the 2004 enlargement to those member states that did not retain restrictions. For example, recent reports tell of 600,000 migrants into the UK mainly from Poland and 200,000 into Ireland with many from Latvia. These are large figures for the countries concerned, but have been amplified for the countries of immigration because other member states were not opening their labour markets at the same time.

Even so, such developments have to be put into perspective. The three countries that have not restricted labour flows from the new member states – Ireland, Sweden and the UK – have all exhibited steady or high economic growth and declining unemployment. The labour inflows will have eased the risk of labour market constraints on non-inflationary growth. The more restrictive member states may have deprived themselves of the best of the new migrants, and some are now opening up as a result.

Emigration has however begun to cause concern in the labour-exporting states, with reports in such countries as Latvia and Poland of increasing difficulties for enterprises to recruit what they need. This leads to employers in these countries beginning to realise that they will have to pay higher wages to attract well-qualified people back. The Czech government has introduced a ‘jobs for foreigners’ website to attract workers from other countries too. This ‘problem’ is however an example of a positive dynamic model of integration with labour market mobility, and eventually with return migration, being part of the process of upgrading the workforce and fostering convergence of living standards. This is part of a positive integration and development model, and hardly a problem of absorption capacity.

All Central, Eastern and South-Eastern European countries face serious problems of demographic decline, in the same way as for the EU-15. As Figure 5 shows, the EU-15 has reached now a point of zero growth of the population of working age after decades of demographic growth averaging around 0.3% per year. This declining trend is now set to continue, and to intensify steadily from 2010 to 2030, by which time the demographic shrinkage of the labour force may reach 0.5% per year. The EU knows that it is facing serious problems ahead for the financing of social security entitlements as a result of these demographic trends. However, on the whole, the EU member states have neither prepared adequately for this, nor have they yet been hit with its full impact on public finances and the economy’s potential for non-inflationary economic growth.

Figure 5. EU demographic bonus/malus (% change in working age population 25-64 years old)



Immigration is one of the options to mitigate this demographic deficit. In the context of the present debate about EU enlargement, there are limited possibilities for migration from the post-communist states of eastern and South-Eastern Europe, since their own demographic problems are so serious. Among actual or potential accession candidates, Turkey is the main potential resource, although even here there is a sharp decline in the population of working age in prospect: while the population of working age is today growing at a rate of about 1.4% per year, this will go into steep decline and become even negative around 2025. Nonetheless there could remain a potential migration from Turkey to the EU in the intervening period of some amplitude, although in the hypothesis of Turkish accession in 2015 and seven more years of labour restriction thereafter, there would not be free movement until Turkey’s own demographics had radically changed.

The demographic decline in the new member states is also so severe that they may come to want to attract immigrants. The easiest source would be Ukraine and Moldova, but these countries themselves are suffering even more serious demographic deficits. Turkey might help here also in these circumstances.

Table 1. EU population in millions, total and 15-64 age group

	Total		15-64			
	2004	2050	2004	2050		
EU25	456.8	453.8	-1%	306.8	259.1	-16%
EU15	382.7	388.3	+1%	255.1	221.3	-13%
EU10	74.1	65.5	-12%	51.7	37.8	-27%

Source: For EU10, Eurostat EUROPOP2004 baseline For EU15, AWG scenario.

5.3 Capacity of the EU's finances to absorb new member states

The EU budget has a well-defined policy of financial redistribution in favour of its poorest regions. Two-thirds of the structural funds are allocated to regions whose GDP is below 75% of the EU average. Some 50 regions are beneficiaries today, accounting for 22% of the EU's total population. As a first approximation, it may be supposed that something like this policy would be continued with further enlargements. The total cost of the EU budget has been constrained to a little over 1% of GDP, of which the structural funds account for one-third. One may suppose that this regime could be sustained from the standpoint of the financial burden for the richest member states. It is estimated that the likely economic gains to the 'old' EU from enlargement, while small (e.g. between 0.4 to 0.5% of GDP for the 2004 enlargement) would significantly exceed the costs to the EU budget.³⁴

The most sensitive issue for the new member states (of 2004 and 2007) would be the timing of the introduction of further new member states in relation to the speed of 'catch-up' achieved in the next years by the 2004 and 2007 entrants. In due course, a sizeable share of the regions of the new member states will graduate out of the Objective 1 category, just as much of Spain has already done. Growth projections assuming a moderately fast convergence of new member states and Turkey suggest that by the period 2014-19, several of the new member states will indeed be graduating out of the Objective No. 1 category. For Turkey this may also begin to be the case for the richest parts of Western Turkey, where the GDP per capita levels are 120% of the national average. Turkey's average income level and catch-up trajectory are close to those of Romania.

Table 2. Scenario for the evolution of GDP per capita as % of EU-15

	CZECH	HUNG	POL	ROM	SLO	TURK
1995	61.8	45.9	35.9	32.2	64.2	29.6
2000	55.8	49.3	38.6	23.1	69.8	25.1
2004	64.0	57.3	40.2	26.7	75.2	25.0
2009	69.4	63.7	49.2	37.7	78.9	36.3
2014	74.0	69.1	56.8	47.0	82.1	45.8
2019	77.9	73.8	63.3	55.0	84.8	53.9

Source: D. Gros and A. Steinherr, *Economic Transition in Central and Eastern Europe*, 2nd edition, chapter 9, Cambridge: Cambridge University Press, 2004.

5.4 Capacity of the EU institutions to function with new member states

President Barroso commented on the eve of the Commission's decision to recommend the accession of Bulgaria and Romania on 1 January 2007:

We are not in a position to further integrate Europe without further institutional reform. There are limits to our absorptive capacity.³⁵

The statement has the merit of clarity in putting the spotlight on the institutions. But what is the experience so far of EU25 after two years? How serious for the functioning of the EU25 has been the failure of the Constitution to be ratified?

³⁴ D. Gros and A. Steinherr, *Economic Transition in Central and Eastern Europe*, 2nd edition, chapter 9, Cambridge: Cambridge University Press, 2004.

³⁵ *International Herald Tribune*, 26 September 2006.

Since the rejection of the text, many observers have been surprised to see two things. First, the daily routine of the EU's decision-making process has so far not shown any major signs of the predicted institutional gridlock. Secondly, many of the problems that have surfaced have resulted from disagreements between the main 'old' member states, and would probably not have been avoided with the Constitutional Treaty in place. Rather than a revolution of the EU's institutional set-up, the Constitutional Treaty would have meant only an important evolutionary step. In relation to today's institutional status quo, the question of absorption capacity can be discussed quite concretely.

Council decision-making. While the Constitutional Treaty would make qualified majority voting (QMV) the rule, as opposed to the status quo where unanimity is still the rule (Art. 250 TEC), this would not mean a major increase of policy fields falling under QMV, shifting about 25 existing areas under QMV and introducing about 20 new ones directly without veto. None of these areas has proven to be problematic since enlargement.

The Constitution also proposed a change from the current triple majority to a double majority of voting. This system, which introduced a majority of 55% of member states together with a majority of 65% of the population, was conceived to make the formation of blocking minorities more difficult. Calculations have proven that under the current system of triple majority voting rules, the formation of blocking minorities is in theory indeed much easier. However, none of the fears about the formation of such blocs has materialised.³⁶ Our interviews with Council officials have underlined that the EU25 continues to strive for consensus and agreement by unanimity, even in areas where there is QMV. New member states have been inculcated into the culture of consensus-building and the number of states opposing a proposal has not yet exceeded the usual number of one or two countries.

The European Commission. A reduction in the number of Commissioners is generally recognised as a necessity. However, this is already provided for in the Nice Protocol, which states that when the Union consists of 27 member states, "the number of Commissioners shall be less than the number of member states". While this provision is not as definite as that of the draft Constitution, which fixes the number of Commissioners once and for all at two-thirds of the number of member states, it has the advantage that it will soon be operational. More precisely, after the 2007 enlargement, the present system of one commissioner per member state will only last until the next renewal of the Commission, which will take place in 2009. The actual number could be decided at that time by the Council without any further treaty change.

The European Parliament. The deliberative quality of the parliament would be undercut by an ever-growing and increasingly impersonal chamber of elected representatives. The prospect of enlargement led to provisions for limiting the number of MEPs in the future already in the Nice Protocol. The differences in the provisions between the Nice Protocol and the draft Constitution were only slight. The Protocol provides that while the numbers may temporarily go over the current 732 following accession, a proportional readjustment should take place to keep the number of parliamentarians at 732 on a permanent basis. The Constitution would limit the number of parliamentarians to 750 members. The European Parliament is thus the institution best prepared for continuing enlargement.

Continuous deepening and widening together? This has been a familiar element in European discourse. However it is not so evident that enlargement is inhibiting the deepening process, or that the supposed parallelism of the two should be viewed as an iron and constant law of European integration.

³⁶ Richard Baldwin and Mika Widgren, *Council Voting in the Constitutional Treaty- Devil in the Details*, CEPS Policy Brief No. 53, July 2004.

On the contrary, in the Pillar I economic policy field, the EU has reached something like a steady-state systemic condition. The euro and the single market both exist, and have become matters of routine policy management and marginal systemic changes. The new member states will only gradually accede to the euro, and this is in itself a mechanism for managing the relationship between widening and deepening. There is no evidence of gridlock in the Councils of Pillar I attributable to enlargement. The main issues of re-animating the Lisbon agenda and revising the Growth and Stability Pact are matters essentially fought out between different tendencies in the old member states. The new member states have been highly interested parties in getting the new financial perspectives for the budget adopted, but this was done after a period of hard bargaining and a touch of the usual ‘crisis’.³⁷

In the Pillar II domain there seems already to be a mutation in the behaviour of the Council bodies. Real inter-governmental debate in the Council of foreign ministers of 25 member states on a typically long and complex agenda has become impossible. That threshold has been passed, but without the sometimes-predicted gridlock disaster. On the contrary it is reported by participants in the foreign ministers’ Council that the proceedings have moved into a more business-like mode, with issues prepared beforehand, tabled for decision, and debate reduced effectively for seriously dissenting voices to be expressed. No tendency has been observed of the new member states blocking initiatives of the former 15. There has been a steady expansion of ESDP operations. At the same time, there is a greater role for the central coordinating bodies to prepare decisions, i.e. a combination of the Presidency, the Council Secretariat (which has virtually become an actor itself) and the Commission. Unanimity rules, but votes are hardly ever taken. These developments suggest considerable institutional flexibility and that evolutionary adaptation is underway. Outstanding systemic issues, such as double-hatting of the High Representative and Vice-President of the Commission, remain to be settled. Experience with the now-numerous ESDP missions is reinforcing the consensus among the member states and institutions that this is necessary, in order to resolve complex problems of Commission-Council coordination. Presumably the politically opportune time will be found in due course to do this.

But in the meantime, the development of EU foreign policy has advanced impressively, via a variety of institutional, or quasi-institutional models. In particular, the large old member states show no signs of wanting to relinquish their scope for active diplomacy entirely to the EU. One model that seems to be emerge is one in which the most diplomatically forceful member states take the initiatives (singles, doubles, or three-somes), but then co-opt the EU as a whole into supporting them (Iran, Middle East). Such developments are far from the classic Community method of Pillar I, but they are not illegitimate for Pillar II. They are ongoing and not inhibited by EU enlargement. Indeed they are partly a response to it.

In the Pillar III domain of justice and home affairs, the case for systemic changes is a bigger issue, as this is a new area searching for an adequate decision-making model. There are evident problems today in the unanimity requirement for new legislation. However it has been disagreement among the large ‘old’ member states, not the new ones, that is inhibiting progress. There is widespread recognition that a merger of Pillars III into Pillar I is needed, and the area reserved for unanimity should be reduced. The draft Constitution would have helped here. So the question will no doubt return to the agenda in any case, given the continuing tensions over terrorism and immigration from the South.

The overarching, long-term institutional issue is how the EU of very many member states (30 to 40) might be able to function adequately without the member states becoming the political equivalent to the 50 states of the United States. The old large member states of the EU reject the

³⁷ See also U. Sedelmeier and A. Young, “What crisis? Continuity and Normality in the European Union in 2005”, *Journal of Common Market Studies*, Vol. 44 Annual review, 2006.

idea of becoming mere Floridas or Idahos. However this comparison with the United States can be quite revealing, if one considers the major difference in size distribution of states. As Table 3 shows, the EU today, or even with the hypothetical maxi-EU enlargement, a compact number of large member states would maintain a 70% majority of the population, whereas the US has a far more even size distribution, with its largest states not in the same category as the largest European states. This suggests remaining scope for inter-governmental negotiation between core groups of key players in the ante-chambers of the formal Council meetings (unlike the US where inter-state bargaining on US federal affairs is impractical). The EU system sees only a gradual reduction in the role of inter-governmentalism, while the emergence of its demos is correspondingly a matter of long-term political evolution. However, as some of the examples cited above have shown, decision-making in the Councils of the EU may show a capacity to adapt to a large number of member states, devising acceptable and adequate ways to prepare formal decision-making outside the crowded formal Council meetings. These evolutions may be matters of behavioural change within given institutions and structures, rather than matters of constitutional change, given also that there exist procedures for 'enhanced cooperation' between coalitions of the willing groups of member states. The strength of these possible tendencies is a matter of speculation, yet sufficiently well founded to qualify static notions of institutional 'absorptive capacity' even in the absence of a new treaty.

Table 3. Populations statistics of a hypothetical maxi-EU and the US

Maxi-EU	millions	%	US	millions	%
Germany	82.8	12.3	California	36.1	12.1
France	60.4	8.9	Texas	22.8	7.7
Italy	58.0	8.6	New York	19.2	6.4
UK	59.6	8.8	Florida	17.7	6.0
Spain	43.0	6.4	Illinois	12.7	4.3
Poland	38.5	5.7	Pennsylvania	12.4	4.1
Turkey	73.1	10.8	Ohio	11.4	3.8
Ukraine	46.4	6.9	Michigan	10.1	3.4
Total (8 countries)	462.3	70.6	Total (8 states)	142.8	48.1
Others (34 countries)	192.3	29.3	Others (43 states)	153.6	51.8
Total of Maxi-EU (42 countries)	654.6	100	Total (50 states)	296.4	100

Sources: Population statistics retrieved from <http://esa.un.org/unpp> for European states and from <http://www.census.gov> for US states.

5.5 Capacity of society to absorb new member states

Identity constructs are powerful factors in understanding and explaining the less than enthusiastic support for the EU membership for the Western Balkan countries, as well as Turkey. In the Western public's mind, the Balkans have long been associated with ancient hatreds escalating into bloody wars. The images of the Yugoslav wars of secession of the 1990s and the ensuing misery, poverty and disorder are strong determinants of the perceptions of the Western public of the Balkan fitness for EU integration. Yet, Slovenia and more recently Croatia have proven the sceptics wrong and demonstrated that former Yugoslav states can transform themselves into members or credible candidate states in quite short periods of time.

The accession of the other Western Balkan countries is not anticipated before they prove that they can profoundly change the way they govern their domestic and external affairs.

The Turkish case merits special attention as it is linked to growing concern with the integration of Muslim minorities in Europe. It raises questions about the absorption of communities perceived by the European public as its defining 'other'. According to a recent public opinion survey, about two-thirds of the general population in Europe consider Islam as incompatible with the 'Western' norms of democracy and rule of law, although European elites' views on this are quite the opposite.³⁸ The data also confirm a close relationship between attitudes toward Islam and Turkey's EU membership.³⁹

Today EU public opinion is on balance against Turkish accession (55% against, 31% for). Not surprisingly, some of the strongest opposition to Turkish accession comes from Germany where the number of Turkish immigrants amounts to 3 million. Public perceptions are largely shaped by the media which project stereotyped images of Turkish immigrants. Although the existence of a group which fails to integrate is undeniable, studies reveal that a considerable majority of Turks (60%) is perfectly bilingual and quite well-integrated into their host society.⁴⁰ Moreover, with the new German legislation easing the naturalisation procedures, and with time, these figures will rise higher.

Might attitudes in the EU change more favourably towards Turkey? Current extreme tensions over matters of terrorism, radical Islam and Islamophobia may and hopefully will calm down in due course. It is possible as well as desirable that European public opinion will become better informed, to the point of understanding that Turkey while of largely Muslim culture has not been the source of radical Islam, nor have its citizens been among the terrorists that have struck EU countries in the recent past. Though a large majority of Turkish immigrants identify themselves as faithful, only a small margin affirms to be 'quite religious'.⁴¹ The large majority are highly secularised, especially among the well-educated classes. A fear of increase in radical Islamist tendencies stemming from Turkish immigrants is not sustainable. In addition, Turkey has a strong democracy, unlike its Arab neighbours, and therefore has important experience of reconciling democracy and Islam.

These considerations are objective facts, and therefore stand some chance of coming in due course to be better perceived by European public opinion, especially when the EU is confronted with the hard realities of its demographic deficit and the limited options for how to resolve the problem. Objective needs for immigration as a boost to the labour force and social security funds will in due course have to be weighed against society's reticence over immigration from Turkey. There are not many other options. Other potential accession states in Europe will themselves be experiencing demographic deficit difficulties, whereas other potential supplies of migrants, e.g. from Africa, are not conceivable candidates for accession and therefore freedom of labour movement. But it is for politicians in the EU to lead on public opinion these matters.

It is hardly possible to say what public opinion will be in ten years time. It is evident that multiculturalism in the EU and its member states suffers today from a crisis of tension and uncertainty. Yet it is also clear that the EU has no option but to try harder to succeed in shaping

³⁸ "European Elites Survey 2006", Centre for the Study of Political Change, supported by Compagnia di San Paolo, September 2006.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ A. Kaya and F. Kentel, *Euro-Turks: A bridge or a breach between Turkey and the European Union? A comparative study of German-Turks and French-Turks*, Centre for European Policy Studies, Brussels, 2005.

sustainable models of multicultural society. The new minorities are not going to be repatriated except for individual criminal cases. When this search for a new model multiculturalism advances, as it must, Turkish participation in the EU as a full member state may come to be viewed much more positively than it is today. This possibility should not be foreclosed by populist political slogans, like (as heard in the Netherlands) 'we're full'. In a few years time, Europe will be rather tending towards empty.

The present stereotyped Islamophobia should give way to awareness of more diversified models of multiculturalism in European society as they emerge. This will surely proceed through developments in the Muslim minority communities themselves, and the preferences of the rising second and third generations of immigrant families, who become bi-(or multi-)lingual citizens. Already, especially among the Turkish communities, but also in the other new Muslim minorities, there is a completely secularised part of the population, which assimilate with the host-country's society. Even among those strongly attached to an Islamic identity, however, there seem to be changes at work in society. As a recent study has shown, the tendencies towards re-Islamisation of other parts of the new minorities has itself been undergoing mutations through successive stages.⁴² If in the 1980s the trend was towards intensely religious Islamisation structured in fervent groups, today the new trend seems to become more one in which desires to affirm cultural identity are combined with the pursuit of conventional educational and professional achievement.

Table 4. Percentage of population that has attained at least upper secondary education (by age group)

	Age group				
	25-64	25-34	35-44	45-54	55-64
Poland	45.9	51.7	47.5	44.5	36.4
Portugal	19.9	32.5	19.9	13.6	8.5
Greece	51.4	72.6	60.3	43.1	27.6
Turkey	24.3	30.2	23.5	19.2	13.3
UK	63.0	68.0	65.0	61.2	55.1
US	87.7	88.1	88.7	89.2	82.6

For Turkey the level of education of the population, and of potential immigrants, will remain an important issue, irrespective of the Islam issue. As the figures in Table 4 show, Turkey shares with Portugal the lowest educational attainment levels among member or candidate states. The age profiles in the table show a substantial improvement in a generation (i.e. between the 55-64 and 25-34 age categories), yet these levels remain way below those observed in the central and eastern new member states. However there is time for a further major boost to education. In the years from now until when there might be a lifting of all labour market restrictions (say 2020, as a hypothesis), EU immigration policies will be privileging well-educated and skilled immigrants.

⁴² Samir Amghar (ed.), *Islamismes de l'Occident – Etat des Lieux et Perspectives*. See especially the chapter by Amel Boubekeur.

5.6 Capacity of the EU to assure its strategic security

There are two sides to the coin. To adopt a restrictive and static view of the EU's absorptive capacity means at the same time to negate the EU's growing strategic capacity to project its unique model of soft power into its near neighbourhood. This is true in quite different ways in each of the three zones that could be affected by a restrictive 'final frontiers' doctrine within Europe, namely in the Balkans, Turkey and Ukraine.

The threat of inter-ethnic conflict is not yet eliminated in the Balkans. Bosnia is still convalescent, Macedonia precarious, and Kosovo potentially explosive. The EU keeps on confirming its Thessaloniki commitments for ultimate full membership of the region, but this now comes in some speeches with conditional remarks about absorptive capacity. One may also mention here the extraordinary constitutional hazard now created in France, to subject all future enlargements after Croatia's accession to referendum. The EU has invested hugely, in terms of finance, political energies and reputation, in turning the Balkans around definitively into a region that converges on modern European values. Bit by bit this is happening, as the non-EU space becomes smaller and smaller and now in 2007 will be entirely surrounded by EU member states. The ESDP is being tested first and foremost in this region. To renege on the Thessaloniki commitments, or to undermine their credibility implicitly by putting forth a new Copenhagen criterion, would be a strategic blunder.

Regarding Turkey, quite apart from the domestic societal issues already addressed, there are major strategic issues on how the EU and Turkey's foreign and security policies in the wider Turkish neighbourhood will develop, with its comprehensive geo-political minefield: Iraq, Iran, the Kurdish question, the Middle East conflict, energy supply security, Central Asia. On each and every one of these issues, there is the question of whether the EU and Turkey can truly work together, with the EU able potentially to benefit from Turkey's unique assets in the region: both the hard assets of military capabilities, energy transit location and exportable water supplies, through to the diplomacy of the Conference of Islamic States and cultural relations with Central Asia. It is already visible how the orientation of Turkish foreign and security policies can now take different directions, for example towards becoming more focused on a Turkish multi-vectored agenda, with less degree of integration with EU foreign and security policies in the region and less support for EU interests. It seems obvious that a confirmation of exclusionary 'final frontiers' will push Turkey along the former track.

With regard to Ukraine, the Orange revolution has already faltered. It is clear that a thin European neighbourhood policy does not achieve leverage on Ukraine's real political development. The scope for enhancing this neighbourhood policy exists, as worked out in detail for the economic domain in a recent study advocating 'deep free trade'. However, today Ukraine is showing ominous signs of ungovernability and therefore instability. New worries emerge in Crimea regarding inter-ethnic relations with the Tatar communities. The overarching issue for the EU is whether Ukrainian democracy governance can get onto the right track, which means unquestionably regular European standards of democracy. The nation has European aspirations. Here again the idea of the EU adopting an exclusionary 'final frontiers' doctrine would be a huge blunder. The impact would go beyond Ukraine itself, with demonstration effects of its success or failure on Russia. Ukraine's current difficulties erode the standing of Russia's embattled democratic forces. More immediately any 'final frontiers' position taken by the EU would reinforce the worst of the neo-Soviet, hegemonic inclinations still inhabiting Moscow's power ministries.

6. Conclusions

The tendency in some political discourse now is to say that, because the Constitution that was meant to prepare for enlargement failed to be ratified, this shows that the enlargement process has now hit a roadblock called 'absorptive capacity', with the European polity suffering from a malady called 'enlargement fatigue', and therefore it would be best to call a stop and define the EU's 'final frontiers'.

An alternative narrative is that the Constitution proposed some useful but marginal systemic changes. However its ratification was badly mismanaged by some political leaders, first by overselling it as a Jeffersonian Constitution to last for 50 years, secondly through compounding this by the choice to put it unnecessarily to referendum in France for reasons of domestic political tactics; hardly surprisingly the operation back-fired. Yet in the meantime the EU has not hit gridlock, and its current major political issues such as re-invigorating economic growth in the eurozone in the face of globalisation, immigration from the South and global terrorism have nothing to do with enlargement.

The case for a pause after the 2004 and 2007 enlargements is undeniable. EU27 has to settle down. The institutional imbroglio after the ratification failures of the Constitution has to be sorted out. It is also desirable that the new member states further catch-up economically before any further major enlargement. However the plausible time horizon for any next major enlargement is many years ahead, maybe 2015, with various transitional arrangements pushing the real date in important respects beyond 2020 (e.g. for the labour market). While political leaders have to take into account public opinion, there have been huge swings in views on the EU (up and down) over the last two decades, and it is hardly possible to try to forecast public opinion on the enlargement question for the years 2015 and beyond, which is the relevant time horizon.

The vague term 'absorptive capacity' is better de-constructed into more precise and objective components, with each to be discussed in relation to the hypothesis of a continuing enlargement process.

- The capacity of the EU's internal market and eurozone to absorb new member states is positive. The tendency in some public debate to confuse the positive economic effects of enlargement with the much more problematic challenges of globalisation need to be corrected by effective communication.
- The labour market has seen some bubbles of migratory flows to those EU states that opened their labour markets from the new member states without delay. However this is already translating into labour shortages in the countries of emigration, which will lead to positive self-correcting adjustments, including rising wage levels in the new member states. By the time the EU's labour market might become completely open to a major further enlargement (i.e. beyond 2020), the EU will be confronted with very serious demographic problems of labour shortages and social security deficits, for which some immigration could be helpful, with Turkey as the only plausible source among potential accession candidates.
- The EU's budget is allocating about 1/3% of GDP to redistributive policies in favour of the poorest regions (especially those with GDP per capita under 75% of the EU average). Since the new member states are growing fast and therefore catching up at an appreciable rate, there is no reason to be alarmed at the prospect of a gradual continuation of the enlargement process on account of the budget. Of the recently acceding countries, several are already graduating out of the poor category, as Greece, Portugal and Spain have done in the last twenty years.

- The failure of the Constitution may have held back some useful institutional improvements, but in its absence the EU's decision-making processes have not run into a state of gridlock. Partial improvements under the Nice Protocol ease the problem of enlargement for the Commission and Parliament, and in the Council there are some signs of adaptation to the new situation with many more member states. Various improvements (e.g. for the Foreign Minister) now have widespread support, and efforts should be directed to finding astute solutions to a number of the outstanding institutional issues in due course, well before any major next enlargement.
- Society's capacity for absorbing immigration is today under tension in a climate of fear of terrorism, Islamophobia and uncertainty over Europe's models of multi-culturalism. Particularly with regard to the new Turkish minorities, public opinion appears at present to overdo the Islamic identification, since these communities are largely secularised, and sources neither of Islamic radicalisation nor terrorism, while Turkey at home is a strong democracy. In due course, European public opinion should become better informed about these objective facts, while the pursuit of new positive models for European multi-culturalism has to go on.
- The EU's capacity for assuring its strategic security is also at stake in any discussion of 'final frontiers'. For the Balkans reneging on the Thessaloniki commitments would mean renewed threats of inter-ethnic conflict. Deep integration of EU and Turkey's foreign and security policies with Turkey is of exceptional importance, given the evident hazards in Turkey's neighbourhood. For Ukraine denial of its European aspirations would undermine the prospects for democracy, already shown to be fragile with the failure of the Orange revolution, and encourage hegemonic tendencies in Russia.

Above all, these various component parts of absorption capacity are not static, and can change over the long time horizon that is relevant. Changes in public opinion may be expected to follow as new realities become evident. The dynamics of enhancing capacities for change deserve priority attention, rather than fixation on static notions of absorptive capacity.

Moreover in some key respects the EU's absorptive capacity for further enlargement is going to be what its leaders choose it to be, especially as regards institutional factors. For EU leaders to ask the Commission to report on future absorption capacity becomes a circular argument, since it is for EU leaders to decide notably on institutional changes to enhance this absorption capacity.

The 'final frontiers' proposition (presumably to the exclusion of both Turkey and Ukraine at the least) is a thoroughly bad idea, since there are well-established outer limits in any case to the map of Europe (e.g. Council of Europe membership). It would be a strategic blunder for the EU now to invent a new irreversible dividing line within this map between 'real Europe' and an imagined 'other' (uncivilised?) Europe beyond. Such a move would undermine years of patient attempts to build up a unique European doctrine, reputation and practical capacity for the projection of enlightened soft power. It would damage the fundamental long-term objectives of extending Europe's democratic space and of working out a new multicultural synthesis, with viable models of multiculturalism to be sought in society within and across European frontiers.

The term 'absorptive capacity' should not be used in official texts without better specification, and de-construction into objective elements. Otherwise it gives the impression of some pseudo-scientific and static reality, and plays into the hands of populist political rhetoric.

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