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EIB Forum Athens, 19-20 October 2006

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South-East Europe - A Region on the Move

The European Perspective and Southeast Europe

Enlargement is generally considered as the most successful foreign policy of the EU. Successive enlargements are the best proof of the strong attraction, which the Union continues to exert on its neighbours. And they have also been an effective way of extending Pax Europea to more countries of the continent. Having helped to establish the conditions for a peaceful and prosperous centre, the old Carolingian core if you wish, today's mission of the Union may indeed be to export democracy, stability and modernity beyond its present borders. Empires have often tried to do something similar in the past, although using much more unpleasant means and, of course, relying less on democracy. It is characteristic that members sharing borders with countries outside the Union are only too keen to bring their neighbours inside the fold: Poland is today the strongest advocate of Ukraine's European perspective, and so is Greece for countries of Southeast Europe, including Turkey.

The countries of Southeast Europe are next in the line for accession to the Union. Their eligibility has been officially endorsed and repeated in European councils, subject as always to the well known criteria. Croatia and Turkey are already in the long and difficult haul of accession negotiations. If there is one part of Europe where the Union can perform an

important stabilization and modernization role, this is it. The EU also has a strong interest in doing so. We have learned from bitter experience that instability, poverty and violence - criminality as well - are not easily confined within national boundaries.

The political and security situation in this part of the world has improved dramatically since the bloody wars that accompanied the disintegration of socialist Yugoslavia. And more recently, the economic indicators have also begun to improve fast. Of course, we cannot generalize too much: in many respects, the difference between, say, Croatia on the one hand, Bosnia-Herzegovina or Albania on the other, is very big. And this justifies a European policy that tries to combine the regional with the bilateral, each country after all being judged individually in meeting the membership criteria and being rewarded accordingly.

There are, however, still big problems in parts of the region. There are weak at best, or virtual, states or entities. We may be indeed approaching the day of the final peace settlement, although this is unlikely to solve the problem for good. The argument is sometimes heard that weak or semi-functional states can be successfully integrated in a stable European political framework in which sovereignty is shared: not necessarily a convincing argument.

In several countries, there are weak governments and widespread corruption, while much of economic activity takes place in the so - called informal economy: unregulated, untaxed, and sometimes outright criminal. Unemployment is high, social capital is weak, and citizens feel frustrated and disempowered. There is much that still needs to be done in terms of institution building and economic reform, for example; and the perspective of EU membership could act as a catalyst.

For reasons of size and not only, Turkey forms a category of its own. Big, poor and different, Turkey presents the biggest challenge of all. If the Union succeeds in gradually extending Pax Europea to Turkey, thus helping it to transform into a modern, stable and democratic country with rising levels of prosperity, it will have achieved a great deal indeed. But this is a process that will take time.

In a more political Europe, identity and borders will be important but also divisive issues. There is no way of avoiding it. A European Union with many more members, Turkey included, is bound to be a very different Union from what we have known so far. And then, the awkward question is being asked, a question that is difficult to answer but also increasingly difficult to avoid: how much diversity - political, economic and cultural - can the European political system take before it implodes? And more mudanely, at what speed can European institutions incorporate new members without reaching gridlock? Or, how much money are taxpayers of member states prepared to pay for the benefit of those Europeans much poorer than themselves and keen to join the club?

If further enlargement is to happen - and happen successfully - hence without acting as a boomerang against the Union itself, I submit we will need at least four things: Patience, Persuasion, Imagination and Generosity: the PPIC strategy, if you are fan of acronyms. Let me explain.

The latest and biggest ever enlargement took place almost two and a half years ago, and the next one is imminent. It is not just a question of numbers. The new members have relatively low levels of economic development and short experience of democratic governance. This round of enlargement is therefore similar to the Southern enlargement of the 1980s, if

only on a much bigger scale and taking place in a less favourable environment. This observation can be extended to those countries still waiting to join, only more so.

There had been many scare stories preceding the Southern enlargement, stories about dilution of the Community, as it was then, dumping of goods and mass migrations of poor, unemployed people from the new members. The Polish plumber today has replaced the Spanish tomato grower in the minds of French people and others who are afraid of new, poorer countries joining the Union.

Scare stories were proved wrong in the past. The accession of Greece, Portugal and Spain was accompanied by further deepening of integration: the internal market programme and the strengthening of the redistributive dimension of the common budget, through the creation of the Structural Funds, were both closely connected with the enlargement of the 1980s. Enlargement coincided with (and contributed to) higher growth in the EU as a whole, at least in the early years, while Spaniards and Greeks did not invade the labour markets of the more advanced economies in Europe; if anything, many of those already there went back home. And the reason is very simple: the new members have enjoyed healthy growth for most of the time since joining and they have therefore succeeded in progressively narrowing the income gap separating them from their richer partners. Southern enlargement offers a good example of a positive sum game.

Can this experience be repeated for the benefit of those who have recently joined, those who will be joining soon and eventually also for others still in the waiting room? The answer to this question will depend on several factors: the strength and legitimacy of modernizing elites in countries joining, changes in the international economic environment, as well as policies pursued at the level of the Union.

The transformation of former communist countries of Central and Eastern Europe, now members of the EU, is already quite remarkable. The perspective of membership provided for years the necessary focus and a powerful incentive for domestic change. The growth prospects for the new members look good; arguably, the most difficult part of the transition is already behind them.

There is, however, a less optimistic reading of the situation, which may suggest that the famous process of Europeanization of new members risks being long and painful both for the new members and the Union as a whole. A large number of citizens of the young democracies in central and eastern Europe show little trust in their political leaders and even less confidence in the political system in general; many of them are tired of reforms, often perceived as being imposed by Brussels; and having suffered for long under foreign domination, they now attach themselves with religious zeal to some of the formal attributes of sovereignty, having already relinquished many of their real powers especially in the economic field. Populism is on the rise, while the popular appetite for change is not boundless.

Our citizens will have to be convinced about the benefits of further enlargement. It cannot be otherwise. At present, many of them seem to have serious doubts. One of the problems is that the benefits of enlargement for existing members are mostly long-term and intangible - an investment, in other words, in democracy, security and prosperity in our neighbourhood - while the costs are usually perceived to be more immediate and concrete. This is hardly the combination to mobilize politicians in a democracy. Most of them tried to avoid

the subject altogether until recently. It is now out in the public, offering also plenty of opportunities for demagogues. Hopefully, they will not be the ones to dominate the debate on further enlargement.

There is also no point in pretending that the Union can keep on taking new members without this having an effect on its internal cohesion and its ability to deliver the goods. To put it differently, in order to be able to stabilize the periphery, we first of all need a centre that functions. And this is becoming less and less obvious. Internal reforms, implying difficult decisions and compromises, may therefore be an effective precondition for a successful further enlargement. Institutions will have to adjust to more members. Some people argue that trying to preserve the effectiveness and internal cohesion of an ever enlarging Union is like an attempt to square the circle. Perhaps, different and complicated geometric figures will develop in the process.

While criteria of eligibility have to be strictly adhered, the Union may be well advised to make the intermediate stages leading to full membership more substantial in economic and political terms. Gradual adoption of the *acquis communautaire* by the candidates should be complemented with more rapid integration in the European internal market and participation in common programmes and policies. And this will also cost money, let us be honest.

Pax Europea does not come cheap. The success of southern enlargement, for example, which will hopefully be repeated with the latest enlargement and also with new ones in the future, did cost money to the budget. Some of it was surely wasted. But overall, the investment was worthwhile. Spain, Portugal and Greece are now different countries: more democratic, stable and prosperous. The same applies to Ireland, only more so.

We need large amounts of patience to carry through further enlargement; strong skills of persuasion in order to convince our fellow citizens of the merits of it; extra doses of imagination to design flexible and more differentiated forms of membership, while also constructing more substantial intermediate stages leading to it; and last but not least, more money in order to help lubricate the process of Europeanization.

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Αθήναι
Μάρτιος 2005