



EXECUTIVE SUMMARY

Conference on

“Quo Vadis Europe?”

12 September 2003

Székesfehérvár, Hungary

Abstract

In association with the Luxembourg Institute for European and International Studies (LIEIS), the Kodolányi János University College organized a conference entitled “Quo Vadis Europe?” on 12 September 2003 in Székesfehérvár (Hungary). This conference aimed to investigate the major difficulties and challenges which Europe will encounter until 2010. There was a large consensus among the participants that, apart from the economic and monetary aspects, the European Union (EU) has so far not been capable of articulating a genuine project for the European integration process. It remains unclear both what the EU’s final aims might be and where its geographical limits might lie.

From an economic and financial point of view, Europe’s situation has worsened over the past decades. Today, high unemployment rates, costly social welfare systems and large public deficits are putting its global competitiveness at stake and have reduced its financial margin of action, which in turn leads to distribution conflicts within the EU. From a political perspective, the member states cannot reach an agreement on a common foreign, security and defense policy. Nor have they given themselves the means with which to implement such a policy, which explains the Union’s insignificant role on the international scene.

Considering the forthcoming enlargement, almost all participants emphasized the fact that the EU will not only grow in territorial, demographic or economic terms, but also in terms of ethnic, cultural, linguistic and religious diversity. Thus, the interaction between the member states will become increasingly complex and conflicting to such an extent that the hypothesis

of a breaking-up of the EU can no longer be neglected. The trend towards the creation of regional alliances or *ad hoc* coalitions within the EU framework will gain ground. All in all, the discussants shared a rather pessimistic view on the future prospects of the European Union.

Introduction

The conference entitled “Quo Vadis Europe?”, organized by the Kodolányi János University College in cooperation with the Luxembourg Institute for European and International Studies, was initially planned as a one-week summer course for university students. Unfortunately, the summer school had to be cancelled and was replaced by a one-day conference which took place on 12 September 2003 at the city hall of Székesfehérvár, Hungary. Numerous high school and university students attended the meeting. Ferenc Gazdag, professor at the Kodolányi János University College, chaired the conference. The discussants’ panel was composed of Armand Clesse, Mario Hirsch, András Balogh, Ljuba Shishelina, Melita Richter Malabotta, Anthony Alcock and Joseph von Komlóssy. The presentations and discussions were preceded by a short opening address by Dr. Gyöngyvér Szabó Hervai, dean of research at the Kolányi János University College.

1. Presentation by Dr. Armand Clesse, Director, LIEIS

A. Clesse stressed the importance of looking at the international environment within which the EU is moving forward so as to assess properly its current situation and its future prospects of development. From a geographical point of view, the future EU is going to be wider than today, not only due to the 10 newcomer countries joining in May 2004, but also due to the possible admission of the remaining candidate countries, namely Romania, Bulgaria, Croatia and Turkey, at a later stage. Yet, a number of problems have to be resolved prior to accession. For instance, Romania’s economic and social situation has worsened over the past years. The country has been moving backward rather than forward, distancing it further from EU membership than ever before. Even Croatia now seems to be better prepared to join the Union.

Considering Turkey’s application, A. Clesse pointed out that the negotiations have reached a critical point in the sense that the EU finally has to take a decision as to whether or not it wants Turkey to be a full member of the EU. Turkey’s application has been postponed too often since it was first handed in. The commitment to the European integration process demonstrated by the AKP government led by Prime Minister Erdogan may be the last opportunity to act before Turkey turns away from the EU to look for other alliances.

The debate about the geographical limits of the European Union is very closely related to that of its aims, its finality. Is the European integration process merely about economic prosperity, or is it about fundamental rights or internal and external security, too? Just like for the delicate “borders of Europe” debate, the political decision makers have also eluded so far this set of questions. Thus, the political process at the European level must be qualified as “muddling through” behavior.

From the very beginning, the European integration process focused on the economic rather than on the political dimension. With succeeding enlargements, the gap between economic and political integration has further widened. While the Common Market and the Single Currency have been achieved, virtually all the attempts to unite Europe politically have failed, due to a lack of political will. The most flagrant example for this probably is the so-called Common Foreign and Security Policy (CFSP). As the Iraq crisis has shown, the 15 EU member states and the 10 newcomers are unable to define a common policy. There are too many remaining disagreements between several countries or groups of countries.

This in turn accommodates the USA, because a divided Europe is not able to act independently and for its own sake. According to A. Clesse, there is going to be no political union in the years to come. Instead, there will be more regionalism and enhanced cooperation between smaller groups of member states. Yet, it is not clear whether this increased flexibility can avoid a break-up of the EU or whether this is precisely the tendency that will produce such a break-up.

As A. Clesse emphasized, the major concern about the future of the European Union is whether it will be fatally weakened or it will break down completely due to its inappropriate internal structures. To change these structures, the “Future of Europe” debate was launched. The Nice Treaty was supposed to reform the institutions to ensure that the EU can keep working after its enlargement. The next step in this process was the appointment of the European Convention. Unfortunately, its outcomes are politically problematic for the smaller European states, especially when it comes to the proposals for the institutional reforms, i.e. the number of commissioners, the voting procedures or the Council presidency.

In conclusion, A. Clesse stressed that the most fundamental question to be answered is whether the European integration model, which was designed after the Second World War to overcome nationalism through economic integration and bureaucratic harmonization, is still a relevant model for the challenges of the 21st century or whether, on the whole, it is becoming increasingly obsolete as a whole.

2. Presentation by Mario Hirsch, Editor in chief, “d’Lëtzebuerger Land”

As a journalist, M. Hirsch began his speech with a footnote comment on the relations between European politics and media. He argued that the national governments abuse the European press for spreading their anti-European stance throughout their respective countries, blaming “Brussels” for everything that goes wrong in Europe, rather than living up to their own responsibility. In addition, there is no truly European, but only a national coverage and reading of European events. Thus, Europe is lacking a genuinely European perspective on European issues.

Regarding the forthcoming enlargement, M. Hirsch said that the EU will become more heterogeneous once the 10 new member states countries have joined. The dream of some federalists who were in favor of a homogeneous and centralized European state is over once and for all times. M. Hirsch advocated a positive approach to increasing diversity, arguing that cultural, linguistic and religious diversity has always been one of Europe’s major assets.

The economic and financial record of the current EU member states is very different from that of the Central and Eastern European Countries (CEEC). The idea widely spread among the new members that their economic and financial situation will rapidly and significantly improve in the wake of accession is an illusion. There are two reasons: first, the economic and financial situation in the Western member states, especially in some pivotal countries like Germany and France, has deteriorated not only over the past few years, but over the past three decades. The economic slowdown is due to structural problems as well as to general market saturation. In a long-term perspective, the growth rates will decline continuously, the cost of the social welfare system will rise, and there will be large public budget deficits.

With low growth rates, cutbacks in the social security budget, and yet high public deficits, there is neither the financial margin nor any political will among the net contributors to the European budget for redistributing more money to the newcomer countries. Their willingness to share wealth is declining as resources become tighter. Secondly, the EU budget itself will not grow over the coming years. The Union's financial framework is set until 2006, and what comes thereafter is not known yet. Countries like Spain, which have benefited most from the Union's agricultural, structural and social funds, are determined to fight for their privileges, as they have shown lately, by blackmailing their partners at the European Convention.

At a political level, enhanced cooperation between selected member states on certain issues will increase. There will be more informal coalitions, such as the meeting of the smaller European states in Prague recently. The question, let unanswered by Mario Hirsch too, is whether this patchwork kind of integration is going to strengthen the EU or to weaken it.

3. Presentation by Professor András Balogh, Chairman, Committee for International Policy Studies, Hungarian Academy of Sciences; Head, Institute of Modern History, Eötvös Loránd University, Budapest

After having raised a number of questions relating to the future shape and role of Europe, Prof. Balogh focused on the existence of common European values as the core concept of a possible future European statehood. He argued that Europeans do not have common emotions, as nations do, but they do share common values and a common cultural heritage, based on (Latin) Christianity and on the humanistic tradition. Although based on religious ideas, secularism has become an important characteristic of European society and politics. The special feature of Europe consists of its multi-linguistic, multi-ethnic and multi-cultural society: "Fortunately, Europe is not monolithic. This makes us different from other regions, this is our advantage."

Another distinguishing aspect of the "European model" is solidarity with the poor, both within Europe and towards other regions in the world. In economic and financial matters, there are no particular European values. Nevertheless, the set of values and traditions referred to above give a specific shape to the European state, its institutions and policies, which in turn influence economic and financial settings. For instance, neo-liberal or neo-conservative economic and financial policies are not in line with the European economic and social model.

Prof. Balogh made clear that this set of values should not be taken for granted. He emphasized that the Europeans actively have to defend their heritage. In sum, European statehood cannot

work without a common foreign, security and defense policy. Regarding the common defense policy, one has to realize that Europe is not capable of developing a parallel defense structure alongside NATO. The problem or contradiction in this is that on one hand, the EU refuses US hegemony. On the other hand, it neither achieves anything like a common policy nor is it willing to pool, let alone spend by itself, large amounts of money in order to build its own defense. Thus, Europe cannot be an independent actor on the international scene. The war on the Balkans cruelly has shown Europe's impotence.

Referring to Prof. Balogh's statement on secularism, Mario Hirsch pointed out that Turkish EU membership is necessary if Europe wants to remain credible. In a secularized Union, excluding Turkey for religious reasons is no longer an option. Both secularism and geopolitical considerations speak in favor of a future EU membership of Turkey.

4. Presentation by Dr. Lyuba Shishelina, Senior Researcher, Institute of International Economic and Political Studies, Russian Academy of Sciences, Moscow

According to L. Shishelina, the Russian Federation – by analogy with Europe – has no exact idea of where it is heading: It has “no road, only a direction”. The European integration process has not significantly progressed since the introduction of the Euro. In Russia, while the economic reforms are not going very well, a consensus could be found on the political level. During the Iraq crisis, Russia was the only neutral country. The Russians were proud of their neutrality, but they know that they have to assume their responsibility in international affairs and that they cannot stay out of international conflicts forever.

Russia has three major neighbors: The EU, the USA and China. For L. Shishelina, the Iraq crisis has clearly shown that Russia is part of Europe. Nevertheless, there is instability on the European continent, due to a shift of power. This shift is determined by two different developments: The EU as well as NATO is expanding eastward, integrating states which formerly belonged to the hegemonic sphere of the USSR, thereby cutting off a part of the Russian Federation from the mainland – the Kaliningrad region. On the other hand, Russia keeps concentrating around its historic centers. In this context, Russia's proposal to create a common space for security in the northern parts of Europe (“the Northern Dimension of Europe”) must be seen as an attempt to improve its relationship with the EU. The Commonwealth of Independent States (CIS) can no longer be considered as a unified area. Only Russia and Belarus try to extend their mutual cooperation and integration.

Russia has an enormous economic potential. It is rich in raw materials, but also in skills and knowledge. For instance, Russia has a large number of qualified scientists. Unfortunately, those resources benefit the US rather than Russia itself, because the Russian economy does not offer sufficient opportunities to them. In conclusion, L. Shishelina emphasized that Russia was open to all sorts of discussions with the EU, not as a member, but as a partner.

5. Presentation by Dr. Melita Richter Malabotta, Sociologist, University of Trieste

In her presentation entitled “Identity and exclusion in an expanded EU”, Dr. Richter Malabotta put forward four main hypotheses regarding the consequences of the forthcoming EU enlargement:

- (a) With the Union’s external borders shifting eastward, new inclusions as well as new exclusions will occur. Whereas those countries promoted for future EU membership - the “ins” - seem to be satisfied with their achievement, the “outs” increasingly feel excluded, humiliated and punished. New separations appear, for example on the Istrian peninsula, which never before was divided into two socio-political entities. The problem to be monitored is whether or not the establishment of new political borders on European territory will create new or strengthen the existing ideological, cultural, linguistic, ethnic and religious barriers.
- (b) While the aim of the EU is to build a supranational European identity based on plurality and multiculturalism, most of the candidate countries - once a part of the Soviet block or countries born from the dissolution of Yugoslavia - are in search for an identity deeply rooted in their national past, thereby including the idea of ethnically pure, homogenized society. There are strong doubts and resistance vis-à-vis multiple belongings and the overlapping cultures, which are indispensable elements of being European. The affirmation of ethnic, religious, historic and cultural differences between and within the new member states is not only contrary to the aims of the European integration process; the example of Yugoslavia has shown to what extent the new separation of territories and identities can be tragic and lead to open conflict, if not war, at the very heart of Europe.
- (c) In the course of the forthcoming enlargement, there are fears on both sides: the member states, the main net contributors as well as the net recipients, fear that large amounts of money will be transferred to the newcomers, they fear mass migration from the east, both within the EU and from outside, the latter due to inefficient border controls. Moreover, the former communist countries might bring their political culture and conflicts into the Union. In turn, the newcomers fear that open borders will harm their culture and traditions, their newly regained sovereignty (now with Brussels in the role of the hegemonic power, not Moscow) and their national identity. In particular, the small states on the outskirts of Europe are afraid to be marginalized and to become peripheral states. The future members also fear that in terms of unemployment, competitiveness, the financial burden or the military contribution, they will have to pay too high a price in the course of their EU accession.
- (d) At the security level, the newcomers feel the EU is not capable of ensuring their defense in case of a military aggression. Thus, for their security, they have to rely on NATO, i.e. US guarantees. This divergent interest between the newcomers and some member states (UK, Italy and Spain) on one hand and another group of member states (France, Germany, Belgium) on the other hand, opens the EU to US influence, dividing Europe into “old” and “new” and thereby producing conflict within the Union.

6. Presentation by Prof. Anthony Alcock, University of Ulster

Prof. Anthony Alcock went beyond the conference topic and raised a number of global problems which Europe will encounter in the near future. He focused on the demography

issue and, more specifically, on the population explosion in both Africa and Asia. Four out of the six most populated countries are located in Asia: China, India, Pakistan and Indonesia. Considering the African continent, the worst must be expected: civil and tribal wars, genocide, massacres, ethnic conflict, diseases such as AIDS, environmental destruction, unemployment, homelessness and other profound problems. The EU has done very little about all this. The development cooperation policies pursued within the ACP framework cannot help if at the same time trade protectionism and the CAP are not reviewed in depth. Moreover, technology has made raw materials less important and therefore reduced the revenue from exports. Terms of trade have also been strongly detrimental to the economic interests of developing countries.

The brain drain away from the developing countries to the industrialized world, notably to the US, deprives the Third World countries of the human capital they urgently need for their development. Today, Africa's share in total world trade oscillates around only 1%. Its terms of trade have constantly worsened over the past decades. The problems rising in Asia are related to population growth, whereas in the Middle East, religious conflict is the major source of instability. Prof. Alcock concluded his presentation on the assessment that this disastrous situation is the ground on which discontent and anger, refugee flows and terrorism grow bigger, becoming a threat to Europe. In turn, racism is growing bigger in Europe. From a political perspective, it is the French and British rivalry (Anglophone vs. Francophone Africa) that has so far prevented Europe from defining a common foreign policy regarding the African continent.

7. Presentation by Joseph von Komlóssy, Vice-President, Federal Union of European Nationalities

Joseph von Komlóssy argued the case for the protection of ethnic and national minorities in Europe. In the course of the EU enlargement process, three major challenges are lying ahead of the 10 newcomer countries: first, they will have to fulfill the severe economic, legal and political preconditions to EU accession. Secondly, they will have to make use of the new economic and social opportunities related to EU membership in order to catch up with the western member countries. Finally, they will have to solve their respective minority problems.

J. von Komlóssy discerned three legal methods to deal with ethnic minorities in the EU member states:

- (a) *Non-discrimination* legislation, which is on the lowest level of passive minority protection and therefore must be considered as an inefficient means of safeguarding minority rights.
- (b) The next level of passive protection consists of so-called *equal rights* policies. Measuring different things by the same scale, they are also found to be inadequate
- (c) Thus, efficient minority protection can only be achieved through the implementation of proactive policies, that is *positive discrimination*.

According to J. von Komlóssy, the latter has to be the standard method of coping with ethnic minorities because it is the only reliable way to protect and to promote cultural, linguistic and religious diversity in Europe. The *Ebner-Resolution on Linguistic Diversity and Regional and Minority Languages in the European Union* voted by the European Parliament on 4 September 2003 can be seen as a good example for such an approach. He concluded his presentation by stating that prosperity and security on the European continent could only be



reached if the diversity of cultures, languages and religions was respected, whereas the diversity of rights had to be firmly rejected, because this would only produce first-class and second-class nations.

Claude Tremont