

**UNIVERSITY OF DERBY**

**BRITAIN'S AND GERMANY'S INTERESTS  
IN EU ENLARGEMENT AND REFORM**

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# TABLE OF CONTENTS

Abstract	iv
Acknowledgements	viii
Introduction	1
Literature review	4
1 Germany's European policy before and after reunification	58
1.1. The foreign policy legacy of the West German Federal Republic	59
1.2. Internal and external changes after reunification	78
1.3. Outlook: A 'normal' partner in Europe?	113
2 The reluctant European: Britain and European integration since 1945	119
2.1. The geographical aspect	121
2.2. The victorious Great Power	125
2.3. The unbroken tradition of the British state	154
2.4. The British Empire	160
2.5. The Special Relationship with the U.S.	167
2.6. Conclusion: Still an 'awkward partner' under New Labour?	174
3 Changes in the Franco-German alliance	183
3.1. The Franco-German axis as the post-war motor of integration	184
3.2. After Maastricht: End of the mutual consensus	207
3.3. Towards increasing flexibility: France and Germany in the post-Nice EU	220
4 Areas for British-German co-operation	237
4.1. Institutional and procedural reform of the EU	238
4.2. Economic and Monetary Union	302
4.3. Economic reform and social policies	321
4.4. Common Foreign and Security Policy	343
4.5. Enlargement	368

5	Conclusion: The significance of British-German co-operation for the future of the EU	402
	References	427
	Glossary of Terms	461
	Appendices	I
	1 The theoretical background: The EU – an intergovernmental or a supranational entity?	III
	1.1. Functionalism	VI
	1.2. Neofunctionalism	VIII
	1.3. Intergovernmentalism	XV
	1.4. Multi-level governance	XXVIII
	1.5. Conclusion: What kind of Europe?	XXXI
	2 Telephone interview with Rt Hon John Redwood MP	XXXVIII
	3 Interview with Desk Officer Foreign and Commonwealth Office	XL
	4 Interview with Dr. Ingo Friedrich MEP	XLVI
	5 Interview with Dr. Gerhard Schmid MEP	LV
	6 Interview mit Professor Jürgen Meyer, MdB	LXIX
	7 Interview with Gary Titley MEP	LXXVII
	8 Telephone interview with Nick Clegg MEP	LXXXVII
	9 Interview with Rt Hon Gisela Stuart MP	XCIII

## **Abstract**

The thesis provides a comparative analysis of British and German government positions on key European issues. It is based on an examination of the major theories of European integration in terms of the significance of national government approaches and the domestic political environments of the member states in the present setting of the European Union.

Apart from the basic information provided by key texts, periodicals, and newspaper articles, the core analysis of the thesis rests on the study of empirical sources. These include government policy documents, official statements made by government representatives, in addition to interviews with British and German elites, which were conducted throughout the investigation. German quotations have been translated into English by the author of this thesis.

The aim of the thesis is to determine correspondences in British and German European policy approaches, and to assess them regarding their significance for the future of the European Union. It provides the first comprehensive comparative analysis of British-German European policy positions, which takes into account the full first terms of the German red-green coalition and the New Labour administration in Britain, including the discussions within the Convention on the Future of Europe.

After more than 50 years of economic and political integration, the decision- and policy-making framework of the European has become a dense network of interaction between a variety of actors from the supranational, national and regional level.

Member states and their governments have continued to determine the essential course of the integration process. Simultaneously and as a result of the voluntary pooling of national sovereignty on the Community level, national governments had to realise that they have lost exclusive control over the outcomes of decisions and policies in a number of areas. It therefore makes sense to describe the European Union in its current setting as a system of mixed governance.

Under this system, member state governments remain in control of the fundamental strategic decisions on the future of the Community, but have to share decision- and policy-making powers with a multiplicity of other players with regard to the micro level of day-to-day decision-making.

In a European Union of 25 member states after the next wave of enlargement in 2004, a single bilateral leadership constellation, like the Franco-German alliance, will no longer be able to dominate the agenda like it could in the first forty years of the integration process. Decisions and policies will increasingly be influenced by flexible working partnership between a multiplicity of member states.

German unification has altered the power balance within the former motor of integration, and has made it obviously difficult for both France and Germany to maintain their institutionalised system of bilateral European policy co-ordination, based on mutual compromise. Consequently, they will have to open their partnership to other member states in order to maintain influence.

Britain and Germany have both undergone profound changes regarding their European policies. As part of the process of 'normalisation' and the ending of its pre-1990 semi-sovereign status, Germany has become a more self-confident and pragmatic player in the European Union and has abandoned its traditional reluctance towards full military burden sharing. However, its influence in the Community is at risk if it does not initiate a process of fundamental economic and military reform.

Britain has been much more positively engaged in the European Union under the New Labour government, and has led on a number of issues including economic reform and defence. The amount of influence it will have in a Community of 25 or more will strongly depend on whether the country decides to join the eurozone and to end its ambiguous stance between Europe and the United States.

British-German co-operation on major issues like institutional and economic reform, defence and further enlargement are likely to have a profoundly progressive effect on the European Union as a whole, provided both countries resolve their domestic constraints.

An effective working partnership between Britain and Germany is unlikely to ever reach the status of the former Franco-German alliance. It nevertheless has the potential to become an influential and transparent promoter of progress in the European Union, which could supplement other existing partnerships, including that between France and Germany.



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## **Introduction**

The aim of the thesis is to present a comparative study on possible areas for co-operation between Britain and Germany within the European Union. It is based on a theoretical assessment of the scope of influence the domestic preferences of member states have under the European Union's current institutional and procedural setting. The research question in this respect is, to what extent member state government representatives manage to maintain their national domestic interests in a European Union of 15 member states, which faces a further wave of enlargement towards Central and Eastern Europe in 2004. In more than 40 years since it came into existence, the European Union has developed an increasingly complex institutional framework, where decision- and policy-making takes place amongst a multiplicity of different levels. The thesis therefore examines the extent to which member state governments are able to influence the strategic decisions that determine the future of the integration process.

This thesis is based on an evaluation of the development and the current weaknesses of the Franco-German partnership, which has significantly influenced the progress of European integration since the end of the Second World War. It investigates the impact that co-operation between Britain and Germany could develop in the enlarged European Union. The areas considered for co-operation are institutional and procedural reform, Economic and Monetary Union (EMU), economic and social issues, foreign policy and defence, and the process of enlargement itself. On the condition that member states still maintain an essential influence on the future of the European Union, the objective of the research is to determine whether sufficient common interests in these crucial areas exist between Britain and German. The result of it will determine the ability of the two countries to form a working partnership, that could lead a progressive agenda in the areas where Germany and France have failed to do so.

Consequently, the core of the examination consists of a comparative case study of British and German domestic interests and government positions on major European issues. It is based on an outline of the two countries post-Second World War interests in Europe with a special emphasis on the more recent changes.

The primary sources for the case study are official government papers, statements and media interviews given by government representatives and officials and personal interviews held with political elites in Britain and Germany. As government ministers and civil servants approached were reluctant to be interviewed and instead referred to official government positions, the selected interviewees are mainly non-government representatives. Instead political actors who are closely linked to their domestic political environment, but at the same time behold a profound knowledge of decision-making processes on the European Union level have been chosen for the interviews. Hence the majority of the participants have close links with their domestic governments and parties, but are also operating in Brussels. They were able to provide additional interesting information to the research results gained from the detailed study of the other primary sources. Monographies, articles in academic journals and newspaper articles, also provided a useful source of information regarding the assessment of British and German European policy developments.

The thesis is divided into five different chapters. Chapter one looks at the changes in German European policy by comparing the role of the Federal Republic of West Germany, which was limited in its sovereignty through the reserved rights of the Western Allied Powers before 1989, with the gradual process of normalisation the unified fully sovereign Germany underwent post-1990. The second chapter outlines Britain's historical difficulties with its continental neighbours, the concept of European integration and assesses the changes that occurred after the end of the Conservative era in 1997. Chapter three describes the alternating balance in the Franco-German alliance and the reasons behind its recent difficulties, which have made it more important to take into account other possible partnerships between the larger member states. The case study in chapter four, which represents the core of the thesis, analyses British and German policy positions on major European issues in respect of their compatibility. The significance of the results of the case study for the future of an enlarging European Union is then assessed in the final chapter.

The examination of the major approaches in European integration theory in respect of the importance of intergovernmental co-operation in the European Union can be found in the appendix.

## Literature review

### 1. Theory

The most valuable and up-to-date basic reference on the theoretical discussion about the nature of European integration is by Rosamond (2000), who deals with the major approaches. Rosamond not only provides a detailed explanation and analysis of the two major contrasting strands of European integration theory, intergovernmentalism and functionalism/neofunctionalism, but also looks at more modern approaches (such as multi-level governance), which try to find a middle way between the traditional analysis. Moreover, Rosamond's book includes a section on the meaning of federalism, a crucial concept in the contemporary debate about the future of European integration. What makes his account valuable, is that he is unbiased and rather chooses to provide a critical assessment of the various theories. Rosamond concludes that no integration theory has been able to fully explain the complex nature of the European integration process and especially stresses the weaknesses of the traditional debate (state-centric versus supranational). For him, the more contemporary middle-of-the way approaches, like multi-level governance, come closest to the rather heterogeneous entity the EU has become today.

A similarly good account, although slightly dated, is by O'Neill (1996). He shares Rosamond's assessment that European integration analysts have traditionally found it hard to establish theories able to explain the full complexity of the Community and its policy-making framework. Like Rosamond, O'Neill dedicates a large part of his analysis to the two major strands of European integration theory, state-centrism and functionalism/neofunctionalism. His criticism focuses especially on the latter. For O'Neill the functionalist argument has traditionally tended to predict outcomes for the integration process, which emphasise an unrealistic transfer of national autonomy and loyalties of domestic actors to the supranational level. On the other hand, in his opinion, state-centric approaches have also failed to explain the more complex decision-making structures, which emerged as integration processed further.

O'Neill is therefore also very balanced in his analysis and includes discussions about federalism and confederalism, which make his book an indispensable guide to the theories of European integration.

The neofunctionalist school, which had dominated the theoretical debate about European integration in the wake of the Second World War, is based on the functionalist writings of David Mitrany. His reflections on a system of global institutions, which would be able to provide peace and stability, had been strongly influenced by the impact of the two World Wars (Mitrany, 1943). Mitrany considered the nation state as the source of the evils of nationalism and violent conflict.

As a result, he predicted the inevitable decline of the nation state as the centre of attention. From his point of view, the succeeding establishment of functional international organisations, based on the loyalties of a borderless, global society, were the only way to secure peace and prosperity for the world. Mitrany's vision was too focused on the global level in order for him to have been able to seriously consider a regional entity, like an integrated Europe. Hence he failed to develop his approach into a proper theory of European integration, and only marginally dealt with the emerging European framework (Mitrany, 1965 and updated in 1975).

Nevertheless his writings were nevertheless important for the theoretical debate and were taken up by Ernst Haas, who developed the neofunctionalist approach. Haas (1968) interpreted the emerging European integration as a process of 'spill-over', through which more sectors of national autonomy would gradually transfer to an expanding supranational Community framework. He concluded that due to this process, the loyalties of national actors would be reorientated towards the supranational level, which as a result would eventually turn the nation state into a former shadow of itself. Although Haas and his followers, such as Lindberg, became more critical towards their own tendency to jump to conclusions about the final outcome of the integration process (Haas, 1971), his interpretation of the nature of the integration process adequately describes the development from the Coal and Steel Community in 1951 towards the Treaty of Rome in 1957.

Haas's neofunctionalist predictions on the inevitable decrease of the importance of the nation states and their governments provoked the emergence of a contrasting school of thought on European integration. The rather rigid intergovernmentalism of Stanley Hoffmann fundamentally contradicted the neofunctionalist notion that national influence would inevitably decline as part of the integration process. In his early writings on the future of the nation state (Hoffmann, 1966), Hoffmann rejected the (neo)functionalist argument and claimed that in contrast to neofunctionalist predictions, national governments had remained in full control of the integration process. He believed that the nation states remained the 'pace-setters' of European integration and any supranational institution would strongly depend on them.

Like Haas, Hoffmann became more balanced with time and later accepted that the institutional change of the 1980s had indeed weakened the influence of national governments and had resulted in a situation, in which they were no longer fully in control of all aspects of Community decision- and policy-making (Keohane and Hoffmann, 1991).

Hoffmann's state-centrist approach became the basis for the liberal intergovernmental theory of Andrew Moravcsik. Moravcsik provided intergovernmentalists with important empirical research on the negotiations which led to the Single European Act (SEA) in 1987 (Moravcsik, 1991). In the study, Moravcsik argued that the end of the period of stagnation in the integration process, which had dominated the 1970s, could only be achieved because the three big member states, Britain, France and Germany were all led by governments which shared a common interest in the further economic liberalisation of the Common Market. Thatcher, Kohl and Mitterand were therefore ready to deepen political and economic integration in co-operation with the Delors Commission. Moravcsik successively elaborated his findings into a liberal intergovernmental two-level theory of European integration (Moravcsik, 1993). The liberal intergovernmental approach defines the integration process as a two-level game, where nation states first develop their interests in a process of preference formation on the domestic level, which is strongly influenced by growing economic interdependence. Member state government representatives would then try to defend these national preferences on the Community level in a process of interstate bargaining.

In his latest work (Moravcsik, 1998), Moravcsik used his theory of liberal intergovernmentalism to analyse the integration process from the Messina conference up to the Maastricht Treaty, and to show how the domestic member state preferences have influenced crucial developments in the Community.

Alan Milward takes a similar empirical approach and has based his analysis of European integration since 1945 on a reversal of the neofunctionalist argument. Like Moravcsik, his work is strongly based on Hoffmann's theory that national governments basically remain in control of the integration process (Milward, 1984). Milward argues that the member states make sure that the institutional framework of the Community remains limited in its ability to determine strategic outcomes.

From Milward's point of view, national governments only give away limited control in areas, where they have realised that the pooling of sovereignty on the supranational level might produce better outcomes than retaining it nationally. Milward agrees with the neofunctionalist notion that national governments had to accept that their states would not be able to survive in an increasingly globalised environment. However, in contrast to neofunctionalists, he concludes that they had managed to use the pooling of sovereignty as part of the integration process in order to save their nation states from decline (Milward, 1993).

Stephen George (1996) is also firmly on the intergovernmental side and emphasises that the predictions neofunctionalists made with regard to the outcome of 'spill-over processes' were incorrect. He states that the neofunctionalist notion of transnational orientation of national actors and interests groups towards the Community level has not occurred. He also claims that the Commission has not outweighed the Council in its importance as the central decision-maker. George consequently thinks that the main focus regarding integration would remain on the nation states and their preferences.

Other supporters of the intergovernmentalist approach have taken a more balanced view and accepted that states have indeed lost control over a number of policy areas.

Hix (1999) agrees with the intergovernmental argument that states were able to fend off the substantial threat to their existence, which had been predicted by the (neo)functionalist approach. He nevertheless stresses that the control of national decision-makers has weakened significantly, because national governments are increasingly dependent on the expert knowledge of supranational institutions like the Commission. However, in a recent publication, Hix confirms once again that he basically supports the state-centrist argument believing that national institutions and actors remain crucial for the integration process (Hix and Goetz, 2001).

Wessels (1999) also views national interests as crucial for the development of the European Union, because the Council in which national governments try to defend their national interests as part of interstate bargains, would still remain the 'decision-making centre'. Wessel nonetheless points out the fact that, even though the Council would continue to determine the strategic direction of the EU, member state governments increasingly had to take into account other actors, such as the European Parliament and the Commission, in a Community framework which has become much more complex than it was in its initial stages.

Wallace (2000) accepts that nation states are still in full control of the strategic long-term decisions on the future development of the EU, but are only one actor among a multiplicity of others concerning the micro-level of day-to-day policy-making. Wallace thinks that the main authority still rests with the member states but points out that, in order to make the EU effective as a 'collective political system', member state governments have to accept the sharing of substantial parts of control over a number of policy areas. From his point of view, this has turned the EU into a system of 'collective governance' in which governments play a crucial role but are no longer the only significant actors, which makes them less sovereign than they were before they entered the integration process. His book also contains an interesting account of the development of Economic and Monetary Union by Loukas Tsoukalis, who argues that the Single Currency is likely to lead to the further deepening of economic and political integration in the future.

Pierson (1998), who is not an intergovernmentalist, but approaches European integration from a historical-institutional angle, shares the view of more balanced intergovernmentalists. He points out that, although neofunctionalists have rightly described processes of 'spill-over' from national policy sectors to the Community level, national government representatives have managed to maintain the essence of their national state sovereignty by agreeing to increased co-operation on the EU level.

The more balanced interpretation of the integration process put forward by the contemporary supporters of intergovernmentalism can also be found in the multi-level governance approach, which attempts to go beyond the limits of the traditional debate between state-centrists and neofunctionalists. Multi-level governance approaches tend to accept that the substance of the nation state has not disappeared, as predicted by neofunctionalists. However, they still see nation states and their governments bound into an increasingly dense and complex Community framework, a process through which they would inevitably lose substantial parts of their national autonomy.

Marks, Hooghe and Blank (1996), who have been promoting the interpretation of the EU as a system of multi-level governance, argue in this respect that the process of collective decision-making within the EU involves a significant loss of national control. The authors lean towards the neofunctionalist argument when they claim that national actors would no longer focus their activities exclusively on the national level, but would progressively bypass it and interact directly with the Community institutions. They accept that the national governments still maintain essential influence within the EU through the Council, but stress that the influence of other Community institutions, like the Commission and the European Parliament, as well as sub-national actors (like e.g. the *Länder* in Germany), have become significantly more important. This would therefore result in a complex network of decision-making between supranational, national and regional actors, in which state influence has not become completely irrelevant, but nonetheless significantly weakened.

Sandholtz and Sweet (1998) argue that, although the process of interstate bargaining, as described by intergovernmentalists is still important for many areas of EU policy- and decision-making, it takes place within a framework of Community rules, which go beyond national control.

Member states would therefore no longer be able to determine the outcome of decision- and policy-making, and would have to face an increasing domestic and transnational demand for the expansion of the supranational framework as part of the formation of a 'transnational society'. In a transnational environment Sandholtz and Sweet see an increasing scope of action for Community institutions like the Commission and the European Court of Justice, which would result in decisions and policy outcomes nation states had not originally intended.

While the main approaches of European integration theory primarily question who is in control of decision-making in the EU, it is also interesting to look at publications, which deal with the constitutional aspects of European integration.

Weiler (1999), who has published a collection of essays on European integration, analyses the integration process from a legal perspective and argues that the EU resembles a confederation, which could turn into a federal system if the deepening of integration continues. Weiler sees the nation state's identity modified by the integration process, because the individual citizen would no longer see it as the exclusive reference point for its personal interests. He provides an interesting chapter on the influence of the European Court of Justice on the domestic political system of the member states, where he argues that the Court and the member states have found ways of co-operating, and respect each other's authority. The ECJ would exercise a rather modest influence on the implementation of EU regulations and policies on the national level, while the member states had not avoided direct confrontation with the Court's authority, and had accepted its value as an independent moderator between the various interests within the EU.

The concept of federalism or confederalism has traditionally played a significant part in the post-war discussion about the nature of the European Community. Especially in Britain, where a federal design for Europe is usually portrayed by Eurosceptics and the right-wing tabloid press as the horror vision of an all-subsuming superstate. Hence, control would be increasingly centred on the federal level in Brussels. Therefore it is important to look at what a federal design is comprised of.

Forsyth (1981) argues that a federal structure for a supranational organisation would mean that 'a number of separate states raise themselves by contract to the threshold of being one state'. In a more up-to-date analysis of the constitutional design of the European Union (Forsyth, 1994), he argues that a federal system or state does not necessarily imply that all powers are centred on the federal level. On the contrary, a federal organisation would make sure that the regional level kept substantial powers. Forsyth, who, in contrast to the common definition, defines a confederation as a much more integrated entity than a federation, thus sees the European Union as a federal system with an economic confederation, which is likely to spill over into other crucial sectors (such as defence and security).

Pinder (1993) sees the creation of the Single European Market as an almost inevitable step towards federal union in Europe. He considers a 'federation', which he considers being looser than a 'federal union' and argues that in a 'federation', the federal institutions take over certain policy areas, but the essential power still rests with the lower level, e.g. the member states in a federation of nation states. In contrast, in a 'federal union', federal institutions would be much more powerful and not only exercise control over substantial policy areas, but also be in full control of the military. From Pinder's point of view, the EU has set out to turn from a 'federation' into a 'federal union', because it intends to deepen monetary and economic integration as part of EMU, and wants to create a Common Foreign and Security Policy.

Vandamme (1998) supports Forsyth's view of federalism as a constitutional arrangement, which aims at decentralisation rather than at the absorption of power in a single centre. He characterises the European Union as a system of 'co-operative federalism', which means that the domestic level of the member state and supranational Community level are closely interlinked rather than being separated from one another. Vandamme nevertheless distinguishes between a federal union and a federal state, with the latter requiring the most important areas of decision-making to be transferred to the federal level. For Vandamme, the EU might move this way if its member states decide to fully integrate further crucial areas of national decision-making, like taxation or foreign policy at EU level.

With regard to the present setting, however, such a move towards a federal state would still remain 'idealistic', as Vandamme points out.

## 2. Germany

### 2.1. German publications

The two standard reference books on Germany's political and constitutional system are by Rudzio (2000), and Hesse and Ellwein (1997). Both publications are regularly updated and deal with major aspects of Germany's domestic political system, including the roles of the federal government, Länder, Federal Constitutional Court, as well as the party system and political culture. Hesse and Ellwein's book is more comprehensive than Rudzio's, as it includes a section on Germany's foreign policy and an introductory chapter on the structure of the two German states before reunification. Furthermore, Hesse and Ellwein comprises two volumes, the first one containing the main analysis of Germany's political system and the second one providing the essential original constitutional documents and treaties for each chapter of the main text. These make the book a valuable resource for students of German politics.

The best analysis of the German constitution and its basic law (*Grundgesetz*) can be found in Maunz and Zippelius, the standard textbook on German constitutional law. Maunz and Zippelius explain the development and structure of the German state as a Federal Republic based on party democracy, the rule of law, and basic social standards. They including the changes that occurred when the two German states were reunified. The book also includes a section on the constitutional basis for Germany's engagement in international organisations like the European Union.

Rauschnig (1989) provides a valuable collection of the essential documents on West Germany's legal position under international law from 1945 to 1989, which includes the various bilateral treaties signed by West German leaders with countries in Central and Eastern Europe, as part of the *Ostpolitik*. Rauschnig's collection creates an awareness of what the *semi-sovereign* status of the Bonn republic really implied.

The most detailed publication on the foreign policy of West Germany is by Hanrieder (1991), originally published in English in 1989. Hanrieder shows how the Bonn republic was constrained by its *semi-sovereign* status in terms of its foreign policy, but was still able to exercise a relatively high amount of influence through its deep integration into Western Europe and the transatlantic Alliance. His work contains a very informative analysis of the attempts of consecutive West German governments to work towards peaceful reunification of the two German states, which was one of the main motives behind the development of the *Ostpolitik* in the late 1960s and early 1970s. Hanrieder shows how West Germany became the leading force for reconciliation between East and West in Europe. He also deals with the influence of the domestic political and economic situation each West German government had to face with regard to its foreign policy. Hanrieder, who sadly passed away in 1995, was able to finish an updated edition of his book in the same year, which included an analysis of the initial post-unification years.

The other indispensable account of (mainly West German) foreign policy is provided by Hacke (1997). His book, which was first published in 1993, goes beyond most other publications on German foreign policy because it deals with each of Germany's post-war administrations individually, starting with Adenauer up to the final years of the Kohl government. Hacke's very detailed account had a strong impact on the discussion about Germany's post-unification foreign policy debate. He criticised the continuation of the policy of *semi-engagement* and public denial of national interests of the Kohl/Genscher administration in the years following reunification.

Hacke argued that the German leaders would have to live up to Germany's increased political weight in Europe by taking on greater responsibilities and by openly admitting that the united Germany has indeed national interests of its own, beyond the support for European integration. This is a point, which Hacke had already stressed in a contribution to the groundbreaking analysis of the major aspects of Germany's post-unification foreign policy edited by Kaiser and Krause (Hacke, 1996).

Hacke also published a study of the motives based upon CDU/CSU opposition towards the new *Ostpolitik* developed by the SPD/FDP coalition under the leadership of Willy Brandt in the 1960s.

Hacke (1975) shows the internal disagreements amongst the two sister parties, with the Bavarian CSU under the leadership of Franz Josef Strauß taking a more hardline stance than most member of the CDU. Hacke's work is an illustration of the fears amongst the CDU/CSU that the Brandt/Scheel administration would pursue a new policy of neutrality, which would endanger the West's containment policy towards Soviet expansionism and risk the long-term prospects of German reunification.

An excellent analysis of the development of German *Ostpolitik* post-WW1 can be found in Griffith (1981), originally published in English in 1978. Griffith shows the changes in the relations between Germany and the countries of Central and Eastern Europe, including the Soviet Union over the decades since WW1 and dedicates a large part of his account to the new *Ostpolitik* of the Bonn republic, which had already been cautiously prepared by the grand coalition between the CDU/CSU and the SPD (1966-69), and was then fully developed by the first SPD/FDP coalition after 1969.

Another very good survey of West German foreign policy can be found in Pfetsch (1993). Pfetsch accounts for the period between 1949 and 1992, and therefore includes the reunification process. He also looks at the institutional framework of German foreign policy-making, including all the major German state institutions and the Foreign Office. Although Pfetsch's analysis is not as comprehensive as Hanrieder or Hacke, it still adds interesting aspects to the analysis of the post-war foreign policy of the Bonn republic.

Although personal memoirs usually have to be treated with caution, as they often tend to offer a rather biased picture of events, they can still be very useful to come to a better understanding of the personal motives of leading political actors.

For the pre-unification period, the memoirs of Hans-Dietrich Genscher, the longest serving Foreign Minister in Germany's post-war history (1974-1992) are especially interesting. Genscher (1995) illustrates the motives for the FDP's change of coalition from the CDU to the SPD in 1969 so that both parties could develop a new policy towards Eastern Europe. He also played a crucial role in the negotiations which led to the reunification of the two German states and shows how he and Chancellor Kohl used the historic opportunities in the negotiations with the Allied Powers.

Furthermore, Genscher tries to defend himself against the widespread criticism of his post-unification foreign policy principles, which continue to avoid the open pursuit of national interests and remained lukewarm towards active German military engagement.

Of equal importance are the memoirs of Germany's first post-war SPD Chancellor, Willy Brandt (Brandt, 1990). Brandt, whose name is inseparably linked with the *Ostpolitik*, explains that his motives for the reconciliation with Eastern Europe and the Soviet Union were driven by a desire to ease the tensions of the Cold War and to make life easier for Germans on both sides of the Iron Curtain. He stresses that it had never been his intention to weaken Germany's integration into the West. Brandt believed that the only way to keep the option of a peaceful unification of the two Germanys open was to supplement the existing policy of integration into the West with new openness towards the East.

Helmut Schmidt, who succeeded Brandt in office in 1974, has made a name for himself as an internationally respected commentator on European and global affairs. Schmidt has written a wide range of publications on domestic German, European and global issues. He published his foreign policy memoirs in two volumes, in which he assesses the personal relationships he established with European and international leaders during his period in office. The first volume (Schmidt, 1987) deals with the three big powers in the 1970s, the United States, the Soviet Union and China.

His second volume (Schmidt, 1990) focuses on West Germany's relations with its European partners, including a very interesting account of Schmidt's strong personal friendship with French president Valéry Giscard d'Estaing, which had pushed the Franco-German partnership to new heights. In this respect, it is also important to consider Schmidt's personal memoirs (Schmidt, 1996), in which he discloses even more details of the Franco-German entente between Giscard and himself. Throughout the 1990s, Schmidt was a close observer of German domestic and European policies. He had been one of the leading critics of Chancellor Kohl's post-unification economic policies, which included a substantial criticism of the 'monstrous' Maastricht Treaty, which was negotiated between Kohl and French president Mitterrand (Schmidt, 1993 and 1996).

The best account of the international aspects of the unification negotiations can be found in Kaiser (1993a), also summarised in an article he wrote for the annual edition of *Internationale Politik 1989/90* (Kaiser, 1993b). Kaiser explains the prudent negotiation strategy of the Kohl/Genscher administration, which not only managed to overcome scepticism among the Western partners (mainly Britain and France), but also convinced Soviet leaders that a unified Germany would pose no threat to the security of Europe. Kaiser also analyses the interests of each of the Allies in the 2+4 process and includes the most important documents, speeches and interviews in a separate section, which makes his book essential for research on the German reunification process.

Diehl (1993) provides an important analysis of how the new foreign policy approach of Soviet general secretary Gorbachev enabled the changes in Central and Eastern Europe and the reunification of the two German states. He shows how Gorbachev put his 'new thinking' on foreign policy into practice when he abolished the Brezhnev doctrine of legitimate intervention into the domestic affairs of the Warsaw Pact countries and announced the principle of 'freedom of choice'. Diehl also explains Gorbachev's crucial concept of a 'common European house', which provided the basis for the fall of the Iron Curtain in Europe.

The earliest and currently the most comprehensive analysis of foreign policy interests and resources of the united Germany was published in four volumes and edited by Kaiser et al. between 1995 and 1998. Volume one deals with the basic features of the foreign policy of the larger Germany, volume two analyses the challenges, volume three assesses interests and strategies, and volume four looks at the institutional framework and the resources of German foreign policy. Especially volume three contains a number of interesting contributions to the discussion about German foreign policy since 1990, amongst them is an article by Janning (1996) on Germany's role in an enlarged European Union. Janning argues that through reunification, Germany has become the central power in Europe and would become even more important, once the EU has enlarged into Central and Eastern Europe. He stresses that Germany is in an incomparably advantageous position in the EU, as it is the only member state which benefits both from the deepening and enlargement of the Union.

Janning warns that Germany should only attempt to exercise leadership in alliance with other member states, and stop to promote the model of a federal state for the EU if it wants to prevent the emergence of fears amongst its partners in Europe. Janning concludes that through unification, a new chapter in German European policy has opened, in which Germany continues to be a strong advocate of European integration, albeit with a stronger emphasis on its national interests. The third volume of the series on Germany's new foreign policy also contains an article by Hacke (1996), in which he confirms his call on German leaders to admit that the unified Germany has its own national interests, which determine the shape of its foreign policy. Hacke stresses that as part of such a redefinition of German foreign policy priorities, German leaders would have to be ready to accept greater responsibility for their country, especially in terms of military engagement, in order to live up to the expectations of Germany's partners regarding the increased political weight of the country.

Schwarz (1994) substantially influenced the post-unification domestic discussion about foreign policy in Germany by introducing the notion that the country had moved into a 'central power' position in a Europe which faced imminent enlargement.

As shown, Janning and other analysts have repeatedly taken a critical look at Schwarz's concept and have either supported it or dismissed it as an example of a new German hegemonic self-perception.

Hacker (1995) published a distinctive account of the united Germany's standing in Europe. Hacker, who has a substantial publication profile on the legal aspects of German foreign policy, offers a very valuable study of the path towards German unification before 1989, with a strong emphasis on the constraints of West Germany's *semi-sovereign* status. He bases his work on an excellent analysis of the changes in Soviet European policy under Gorbachev. He also gives a detailed account of the 2+4 negotiations, which led to the unification of the two German states, including the inner-German unification process and its legal implications. The second part of Hacker's book is committed to the discussion of the role of the larger Germany in international organisations such as the U.N., NATO and the EU. It includes a thorough assessment of the impact the German Federal Constitutional Court's decision on military engagement had for the country's foreign policy.

Hacker calls for a redefinition of German foreign policy priorities on the basis of the continuing strong integration into multilateral organisations and strong values aimed at military burden sharing and the avoidance of power politics.

A regular and constantly updated analysis of developments in German foreign and especially European policy is made available by the Centre for applied political research at Munich University. Its director Werner Weidenfeld has edited many significant publications on Germany's post-unification European policy, among them reference books on the major EU treaties, like the Treaty of Amsterdam (Weidenfeld, 1998) and Nice (Weidenfeld, 2001). Weidenfeld co-edited the indispensable reference handbook on German reunification (Weidenfeld and Korte, 1999), which combines essential information on all the major aspects of the unification process in a number of short but very comprehensive articles. The book contains an article by Dieter Bingen on the crucial bilateral treaties between West Germany and the major Warsaw Pact countries, which constituted the basis of the new *Ostpolitik* of the 1970s.

Bingen manages to summarise the wide-ranging content of the various treaties on few pages only without missing any vital information which makes his contribution an essential resource for any research on German *Ostpolitik*. Josef Janning, one of the most prominent members of the Munich research centre and an analyst of European integration in Germany, contributed an article on the integration of united Germany into the European Union. He points out that German unification would have opened up new opportunities for German European policy, which would have to be based on a clear determination of its own national interests in order to be able to exercise a leadership role in an enlarged Europe. Janning has also published proposals on how to make German European policy more effective, in which he argues that the larger Germany would have to concentrate its foreign policy resources. He calls for the creation of a ministry for European integration, which would exclusively deal with European affairs and have to co-ordinate German European policy priorities in co-operation with the Chancellery. Janning sees good prospects for a leading German role in the EU, as long as German European policy would become more self-confident and would accept the responsibilities that come with such a role.

Weidenfeld has edited a collection of studies on options for a more effective European policy for the united Germany. An especially interesting contribution to the book is the one offered by Glaab, Gros, Korte and Wagner (1998), who see Germany's post-unification European policy caught between the conflict of growing external and internal expectations. German leaders consequently have to accept that their country's European partners expected the larger Germany to take on greater responsibilities, while the German public's scepticism towards the further deepening of political and economic integration in Europe would have risen since Maastricht.

The Munich centre has also published a very informative reference book on Europe (Weidenfeld, 1999), which deals with the interests and policies of each of the 15 member states individually. It includes a special chapter on the German role in Europe, consisting of three articles. Thomas Paulsen deals with the changes in Germany's role in Europe since 1990 and basically supports Schwarz's definition of the German status as a 'central power' with key influence. Paulsen nonetheless points out that fears of a new German dominance would be completely unfounded, because Germany would continue to pursue a policy of multilateralism. For Paulsen, no single country would be able to exercise a hegemonial role in the modern Europe, mainly because of a complex system of interdependence which is aimed at maintaining a 'balance of power'. He therefore sees the major problem to be the lack of German economic and financial resources to fulfil a leadership role, rather than in an accumulation of German power.

Werner Link analyses Germany's role as a European power from the creation of the first German nation state in 1871, and shows how (West) Germany's deep integration into the multilateral frameworks of NATO and the EU became an essential prerequisite for a more independent German foreign policy. Link emphasises that Germany remains deeply embedded in the Community, and is the leading advocate for an expansion of NATO and the EU into Central and Eastern Europe. He also sees the larger Germany in the role of a 'central power' in Europe. Above all, he stresses that it would not be in accordance with reality if German leaders pretended that their country would naturally support the deepening of European integration. Link therefore calls for a more honest admission that Germany's interests in Europe are indeed defined by its own national interests.

Patrick Meyer focuses on the development of German post-1945 European policy and shows the crucial stages of Germany's integration into Europe. With regard to the situation after the unification of the two Germanys, Meyer sees Germany's European policy constrained by a renewed fear of German dominance among its European partners. He also notices a new generation in power in the larger Germany, which approaches European issues with a greater pragmatism than the previous generation of leaders. From Meyer's point of view, the future of German European policy will be characterised by a continuation of its traditional engagement, enriched by a greater emphasis on the country's own national interests.

The Europe handbook also contains an interesting analysis of the European Economic and Monetary Union by Olaf Hillenbrand, which describes the path towards monetary integration and explains in detail the implications of the stability pact, on which the Kohl government had insisted as part of the Maastricht package. With regard to public perceptions of European integration in Germany, the article by the leading German opinion pollster Elisabeth Noelle-Neumann outlines the changes in the German public's perception of the integration process since reunification. She detects a general continuing support for European integration in Germany, but also points out that the German public increasingly complain about the lack of understanding of the EU's complex decision- and policy-making framework. Manuela Glaab offers the European perspective and supports Noelle-Neumann's findings by stressing that the citizens in all of the 15 EU member states have become more disillusioned with and critical towards the EU's institutions and the integration process as a whole. Glaab sees the development of the complex institutional and procedural framework created after Maastricht to be the main reason why the individual citizen would fail to identify himself or herself with the EU.

Another very useful and informative publication by the Munich centre is the pocket reference book on European integration (Weidenfeld and Wessels, 1997), which provides short explanations of the development and role of the main Community institutions and policies. In the book, Christian Jung summarises the complicated regulations of the Treaty of Maastricht in a very comprehensible way. Claus Giering does the same with the Amsterdam Treaty and points out its failure to adequately revise and clear up the leftovers of Maastricht.

A very important and at the same time controversial contribution to the debate about the future of the EU was made by the CDU Europe experts Wolfgang Schäuble and Karl Lamers in 1996. Their joint reflections on European policy, reprinted in Nelsen and Stubb (1998) were critically perceived in France, because they showed a new self-confidence in the approach of the unified Germany towards European issues. Schäuble and Lamers call for the establishment of a hard core of members within the European Union to agree to proceed faster than others in terms of the deepening of integration. Schäuble and Lamers argue that the core should work towards the establishment of a 'federal state' based on the principle of subsidiarity. No other member state should be allowed to block this process through its veto. The core would have to be based on the Franco-German partnership, which should be strengthened further. Schäuble and Lamers also emphasise that they expect France to become more open towards the deepening of European integration instead of focusing on the preservation of national sovereignty. In principle, Schäuble and Lamers would like to see an open partnership between France and Germany, which leaves room to include Britain, as soon as the latter would finally decide to adopt a more pro-European course.

Regarding the changes in Germany's European policy since the end of the Kohl era and the election of a younger generation of leaders in 1998, it is interesting to look at the publications by the three leading political figures, who have made possible the election victory of the first red-green coalition in Germany's history. The book published by Joschka Fischer (1995), when his Green party was still in opposition, shows the attitude the current German Foreign Minister had towards the notion of a 'normalisation' of German post-unification foreign policy only three years before he came into office. Once in government, Fischer became the leading advocate for full German military engagement in the bombing raids on Serbia during the 1998/99 Kosovo crisis and the post-September 11<sup>th</sup> military campaign in Afghanistan. In 1995 he still warned about moves towards the 'militarisation' of German policy.

Oskar Lafontaine, who stepped down as SPD leader and finance minister in March 1998 in protest against the government's economic and foreign policy, never changed his views and thus published an open reckoning with the government (Lafontaine, 1999). In his book, he personally criticises Chancellor Schröder for neglecting the Franco-German partnership in favour of closer ties with the British Labour government. He also calls for a more interventionist economic policy. Lafontaine's assessment of the government's policy is therefore an important testimony of the inner tensions which formed the basis of the red-green coalition's initial period in office.

Chancellor Schröder published a collection of open letters in the run-up to the 1998 German general election. The book contains open letters by Schröder addressed to a number of senior German elites (including the then leader of the Green party, Joschka Fischer), and each letter addresses a different subject of German domestic and foreign policy. Especially interesting is Schröder's letter to Frederick Forsyth, the British writer, in which he outlines his European policy priorities. Schröder stresses that the EU would have to become more transparent in order to counter ordinary people's fears about an increasing centralisation of power in Brussels. He calls for the establishment of a leadership 'triangle' between France, Britain and Germany, which would have to work towards the development of Common Foreign and Security Policy, and bring forward common initiatives on other major policy issues.

For a coherent assessment of German European policy it is important to consider the relatively strong influence of regional actors. Within the federal system of Germany, the *Länder* have acquired a growing influence on foreign policy matters since reunification, and therefore play a substantial part in the development of German foreign policy priorities. Rudolf Hrbek has published a study on how the principle of subsidiarity within Germany's federal system guarantees the consideration of *Länder* interests as part of Germany's European policy. Hrbek's work is especially aimed at a comparison of the position of the *Länder* with other regions in Europe.

The book contains an interesting chapter by Degen (1999). He shows how the German *Länder* use the EU's Committee of the Regions to make their interests heard. Degen argues that the *Länder* have found ways of using the Committee to bypass the federal government and exercise a 'shadow European policy'.

In many case *Länder* representatives would consequently avoid the necessity to lobby the German federal government and make their interests heard directly on the Community level.

The leading German foreign policy journal *Internationale Politik* regularly publishes journals which deal with the changes in German foreign and European policy. Many of the foreign policy experts hence contribute to the journal, which makes it a valuable resource for up to date developments.

Karl-Rudolf Korte (IP 2/1997) analysed the perception of the unified Germany's foreign policy among the country's European partners. He concludes that Germany's post-unification policy is gradually being brought into line with those of other European countries, which have traditionally followed a more self-centred approach than the *semi-sovereign* Bonn republic before 1989. Korte points out that such a process of 'normalisation' is accepted by Germany's neighbours as part of an inevitable consequence of reunification.

William E. Paterson and Charlie Jeffery from the Institute for German Studies at the University of Birmingham offer an assessment of Germany's post-1990 European policy from a British perspective (IP 11/1999). The authors see an obvious change in the Franco-German alliance under the leadership of Chancellor Gerhard Schröder, mainly due to a more self-confident German attitude and a perception on the Chancellor's part that the Franco-German partnership's value is most technical. As short-term issue-related working partnerships between various states would become ever more important in an enlarged EU, Paterson and Jeffery see a good chance for Britain to play a more influential role. This would however require British participation in Economic and Monetary Union.

In the same edition of *Internationale Politik*, which also includes the article by Schwarz on Germany's 'central power' position in Europe mentioned earlier, Daniel Vernet provides a French assessment of the changes in German European policy after the red-green coalition's first year in office. Vernet argues that the Schröder/Fischer administration has basically continued the traditional German European policy approach.

He nonetheless emphasises that Chancellor Schröder has shown a more pragmatic and self-confident approach to European issues than his predecessors, which was balanced out by Foreign Minister Fischer's insistence on continuity. Vernet concludes that, from his point of view, the greater self-confidence and emphasis on Germany's own interests represented a return to normality, which did not exist in the first 40 years of West German glorification of European integration.

Laux (2000) has assessed the changes in Germany's European policy during the first year of the red-green coalition's first term in office. She sees a new generation of leaders at work, who have developed a more pragmatic attitude towards European issues, but still remain deeply embedded in the German policy tradition. Laux nevertheless criticises the lack of definition of Germany's national interests on the European level, even under the leadership of the red-green coalition. She therefore calls on the leaders in Berlin to make up their mind about Germany's European policy priorities.

Lees (2000) has written about the politics and personalities of the red-green coalition, which, although he only deals with the first few months in office, is especially interesting to gain an understanding of the initial tensions within the Schröder government. Lees describes how the disagreements on domestic and foreign policy issues (especially the Franco-German partnership) between Chancellor Schröder and the then Finance Minister and SPD leader Oskar Lafontaine prevented the government from steering a clear course and led to Lafontaine's resignation in March 1999. Lees also analyses the pressure of events around the Kosovo crisis, which left the red-green coalition no other choice but to initiate the most fundamental change in Germany's post-war history, when it decided to deploy German forces for the bombing raids on Serbia in 1998/99.

The most recent edition of *Internationale Politik*, which deals exclusively with Germany's role in Europe, was published in September 2002 (IP 9/2002). It contains a review of the red-green coalitions' foreign policy in its first term in office between 1998 and 2002.

Janning sees the red-green foreign policy characterised by continuity, but also points out its weaknesses, including the decline of the Franco-German partnership, the lack of military spending and reform, and in addition, to the failure to build on the initially promising relations with Britain under New Labour. For Janning, the most important achievement of the Schröder/Fischer administration is that it has managed to maintain Germany's traditional post-war role as the promoter of the deepening of European integration, both through the Foreign Minister's Humboldt speech, and the Europe paper passed at the 2001 SPD party conference in Nuremberg.

Michael Mertes looks at what happened to the prediction of a 'German Europe', which was predominant at the time of reunification within Germany itself and among many of its European neighbours. Mertes stresses that after unification, German leaders found it increasingly difficult to pretend towards their partners that Germany would not pursue its own national interests in Europe. As a result, German foreign policy became more self-confident, but also more willing to take on greater responsibilities in military terms. Mertes remarks that, because of its weak economic performance, Germany ironically is rather a threat to the economic prosperity of the eurozone, than a serious candidate for a hegemonial role.

Stephan Martens offers a very brief, but nevertheless important analysis of the current state of Franco-German relations. He sees a growing gap between the reality and public display of harmony between France and Germany. Martens warns that both countries would have to make serious efforts in order to maintain their influence in an enlarged EU, where one bilateral partnership is unlikely to dominate the agenda in the way France and Germany traditionally used to after 1945.

## 2.2. English publications

German foreign policy and its role in Europe is widely discussed in British political science, mainly because of the country's growing political weight after unification in 1990.

An indispensable reference for students of German politics is the regularly updated series on the *Developments in German Politics*, edited by Gordon Smith, William E. Paterson and Stephen Padgett. Although the latest edition is already dated (Paterson and Padgett, 1996), it still provides important basic information about the political system of the united Germany, including its domestic and foreign policies. It includes an analysis of the changes in Germany's European policy after reunification by Emil Kirchner. He indicates that both Germany's partners, as well as the majority of German elites, had expected the unification of Europe to be concluded before the unification of the two German states would take place. Kirchner detects a culture of 'good Europeanism' among the German society, but also a greater reluctance to agree to further integrative steps on the European level without criticism. Like most other analysts, he stresses that Germany has shown a greater emphasis on financial matters, mainly because of the financial burden of reunification. Kirchner advises German leaders to stop promoting a federal structure for Europe and to instead push towards further democratisation of the EU.

In general, however, he sees no danger of a new German hegemony, as German leaders would realise that their country benefits from permanent integration into the multilateral framework of the EU.

George (1996) has included an analysis of the three largest member states, Germany, France and Britain in his standard reference book on EU politics and policy. In the section about Germany, he explains the political and economic structure of the country and assesses German European policy since 1945. George sees a stable development of Germany's role in Europe since the end of WW2, but the institutional pluralism of the German domestic political system often makes it for German governments to pursue a stable line in Europe.

A very interesting discussion of the German role in Europe is offered in the publication edited by Peter Katzenstein (1997). In the introductory chapter of the book, Katzenstein examines how reunification has altered Germany's standing in Europe. He argues that even before unification, the European policy of the Bonn republic was not simply based on idealistic motives. Instead, West German leaders were able to use their country's engagement in the multilateral framework of the Community in order to pursue their own national interests. He argues that the similarity between the German domestic political system and that of the European Union made it easier for the country to integrate, and as a result, exercise a greater influence than any other member state. In spite of this, he detects a stronger emphasis on 'hard' financial issues in Germany's European policy after reunification, which would not substantially weakened Germany's commitment to European integration.

In the same book, Simon Bulmer provides a remarkable analysis of German power in Europe. He bring to attention that, in contrast to other member states, such as France and Britain, Germany would avoid exercising unilateral power politics, which aim at the promotion of self-interests and instead chose to exercise multilateral, consensus-orientated 'soft' power. Bulmer sees this 'soft' multilateral preference deeply embedded in the foreign policy approach of the majority of German political elites. He divides the 'soft' power influence Germany exercises in the EU into two categories: First, 'indirect institutional power', where Germany influences changes in the EU's institutional setting along the lines of the domestic German political structures, and consequently makes it easier for German elites to influence EU decisions and policies on a permanent basis. Bulmer gives the negotiations on Economic and Monetary Union as an example where Germany was able to push through a European Central Bank model based on the setting of the German *Bundesbank*. Secondly, 'unintentional power', which emerges from Germany's political and economic weight in Europe and leads to consequences for Germany's European partners, which are not actively pursued by German elites. Here, Bulmer presents the high interest rate policy of the German Bundesbank in the aftermath of reunification as the most striking example.

In general, due to the similarities between the EU framework and the domestic German political system, through which German elites have gained experience with multilateral co-operation, Bulmer considers it much easier for Germany than for any other member states to exercise influence within the EU. Thus he sums up Germany's role in Europe as that of a 'gentle giant', i.e. a country which has strong influence but avoids to use it in an unscrupulous way, and instead prefers to seek multilateral co-operation with its partners.

In the third chapter of the book, Jeffrey J. Anderson analyses Germany's changing role in Europe. He believes that the main change in Germany's European policy after reunification is a greater emphasis on financial issues and a cost-benefit analysis of the integration process. Anderson stresses that before 1989, West Germany was ready to accept the role of the paymaster in Europe. This became the case because German leaders were mainly interested in deepening the multilateral framework of the European Community, in order to help Germany regain a democratic reputation in Europe and elsewhere. Moreover, German leaders perceived it as the only way to gradually regain the sovereignty over their country's internal and external affairs. Anderson does not see a fundamental change in Germany's European approach towards Europe since 1990, but still emphasises that the difficult financial and economic situation of the unified Germany forced German leaders to adopt a more realistic and pragmatic approach towards further integration.

Anderson has expanded his analysis of the impact of German reunification on the country's European policy in a book about unification (Anderson, 1999). He studies the changes in the wake of unification in a number of policy areas, including, trade, energy and environment, competition policy, structural funds and CAP. Furthermore, he returns to look at the role of the united Germany in Europe and detects a European policy, which is not only characterised by continuity, but also by a much greater focus on distributive issues. In general, Anderson sees a greater variety of domestic interests in the larger Germany, which would force German leaders to take them further into account than before 1990.

A constant examination of developments in German domestic and foreign policies is undertaken by the Institute for German Studies at the University of Birmingham. Members of the institute have published a number of very useful studies of German European policy. Simon Bulmer and William E. Paterson have written an article for *International Affairs* (72/1996), in which they examine Germany's post-1990 role in Europe. They underline that through reunification Germany has shed its foreign policy constraints, which made its foreign policy initiatives strongly dependent on the consent of the Allied Powers. Bulmer and Paterson observe a continuation of the pre-1989 denial of national interests in the early years following reunification, but indicate that in addition, the German public has become more sceptical towards the deepening of integration, especially since Maastricht.

The authors also focus on the increased influence of the *Länder* in the post-Maastricht period, especially through the changes of German law under article 23 of the German *Grundgesetz*. Bulmer and Paterson see a liberating effect on German European policy as a result of unification, which will allow the larger Germany, currently at the heart of an enlarging EU, a greater role in the future developments of the Union.

The Birmingham institute regularly publish discussion papers on German affairs, including new developments in Germany's foreign policy. Two of these papers are of particular interest for research on the changes in German European policy since 1990. Charlie Jeffery and Vladimir Handl (1999) examine the changes in Germany's European policy after the end of the Kohl era. They see the 1998 general election not only as the end of the 18 years of continuous rule by Helmut Kohl, but also detect a major generational change. Germany would therefore now be governed by a new post-war generation of leaders, who were politically socialised in the left-wing political environment of the 1960s. In spite of this Jeffery and Handl emphasise that the red-green coalition had continued the traditional post-war European policy approach, albeit based on a more self-confident attitude. This greater pragmatism could be seen in calls for an end to Germany's role as the biggest net contributor within the EU in the run-up to enlargement, and in demands for the reform of costly policies and practices, such as the Common Agricultural Policy. They also detect changes in the partnership with France, whose importance had diminished for the Schröder administration than it had been for its predecessors.

With regard to the greater willingness to accept military burden sharing, Jeffery and Handl argue that this would be a process of gradual 'normalisation', through which the last remains of Germany's pre-1989 foreign policy constraints would be removed.

In another Birmingham paper, Jeffery and Paterson (2000) point out that Germany's post-war role as the leading promoter of multilateral integration had allowed it to influence the nature of the EU profoundly, without substantially worrying its partners in Europe. They see the 'normalisation' process of German foreign policy, which had finally been put into concrete form under the leadership of the red-green coalition to be deeply embedded in traditional German post-war multilateralism. Although this process has made Germany more 'self-regarding', the authors still do not see a substantial 'deliberate' increase in German power, and stress that German leaders prefer to continue to seek multilateral solutions and compromises.

Bulmer, Jeffery and Paterson have combined their research in an important publication on Germany's post-1990 European diplomacy (Bulmer, Jeffery and Paterson, 2000). Their study includes an assessment of Germany's domestic institutional framework, bilateral relations with other EU member states and German interests with regard to EMU and eastward enlargement. They see the development of European policy priorities as 'a process of managing institutional pluralism', relating mainly to the multiplicity of actors who influence foreign policy decision in Germany (including the *Bundestag* and the *Länder*). The federal government would consequently have been weakened in terms of its independent decision-making powers on foreign policy matters. The authors underline that the German commitment to multilateralism had survived the changes of unification, which results in a general support for further integration among German elites. Bulmer, Jeffery and Paterson also see a greater openness on the German part towards new potential partnerships in the EU. The Franco-German alliance remains important, but would no longer be the only option for the larger Germany in the run-up to enlargement. The authors therefore think that the British-German relations will significantly increase in importance in a larger EU. They conclude that German power is deeply linked to further European integration, which would mean that although the German weight had increased through unification, it is likely to increase further after enlargement, a process which is hence strongly supported by Germany.

Hyde-Price, also from Birmingham University, has published a book on Germany's role on the restructuring of the post-Cold War security framework in Europe. Hyde-Price (2000) focuses especially on the enlargement of NATO and the European Union, and considers Germany to be in a classic 'central position' dilemma, being situated between the existing Western European framework and the aspiring member states in Central and Eastern Europe. He perceives Germany's priorities in the successful enlargement of NATO and the EU to Central and Eastern Europe to establish an area of security and democracy, which would need to be supported by a strong partnership with Russia. From Hyde-Price's point of view, the major problems for German leaders with regard to this process are the differences in speed between NATO and EU enlargement, and the growing perception of enlargement as an 'elitist' project among the German electorate. Hyde-Price stresses that any German dominance in Central and Eastern Europe is likely to occur as part of the multilateral frameworks of NATO and EU only based on a policy of mutual trust rather than of power politics. For him, the new German self-confidence, which has replaced the former policy of modesty, is therefore not aimed at unilateral ambitions but on a policy of multilateral promotion of civilian morals. The united Germany would consequently have turned into a 'normal' civilian power which would be mature enough to promote its interests and values.

The Institute for German Studies has also supported Wolf-Dieter Eberwein and Karl Kaiser to combine the findings of the research published in their four German volumes on Germany's new foreign policy in a single English publication. The book (Eberwein and Kaiser, 2001) is essential for students of German foreign policy as it provides the most detailed account to date of the domestic institutions and actors that shape German foreign policy. The study includes an analysis of the impact of federal government institutions, societal actors and the media, as well as the German secret service. It therefore discusses in detail the impact of Germany's institutional pluralism with regard to its foreign policy-making, which is only touched on by other people's accounts. Especially interesting are the contributions by former Foreign Office minister Werner Hoyer on the domestic decision-making structures regarding European policy issues, the analysis of the role of the *Länder* by Michèle Knodt, and the *Bundestag* by Joachim Krause.

Hoyer stresses the complexity of the German foreign policy-making framework, based on fixed constitutional regulations and laws, and the need for compromise between the involved federal institutions, including the *Bundesrat*, where the interests of the regional units, the *Länder*, are represented. Hoyer sees the Chancellory and the Foreign Office as the principal actors in the shaping of foreign policy, but also shows out that both the *Länder* and the *Bundestag* influence has increased significantly in recent years. As Hoyer emphasises, both have gained influence especially through the inclusion of the new article 23 into the German basic law, which guarantees a right of participation on essential foreign policy matters for the *Bundestag* and *Bundesrat*.

Knodt and Krause support his analysis. Knodt argues that the *Länder* have gained the capabilities to exercise a 'parallel foreign policy', which is no longer dependent on agreement with the federal government. The *Länder* would hence be able to use their guaranteed influence through the *Bundesrat*, as well as their representation in the EU Committee of the Regions in order to promote their own interests. Krause explains that the *Bundestag* had substantially influenced German foreign policy in recent years and he provides the examples of the deployment of military forces and the shaping of European Monetary Union based on the Stability Pact. He argues that the *Bundestag's* committee on EU affairs enjoys far-reaching powers, including the right to question ministers and Foreign Office officials, which has turned the German parliament into a senior actor in the process of foreign policy-making.

Webber (2001) edited the most up-to-date and probably the most informative compilation of discussions on Germany's foreign policy since reunification. His book deals with the various aspects of change in German foreign policy in the 1990s. In the introductory chapter, Webber analyses the changes in Germany's post-1990 European policy in comparison with those of the *semi-sovereign* West German republic. Webber thinks that the Bonn republic was characterised by the irreversible integration into the West, a strong focus on Europe, a preference for multilateralism, and a civilian approach to the resolution of conflicts. With regard to the changes since 1990, Webber argues that all these foundations of German foreign policy principally remain, apart from the civilian approach, which had been replaced by a greater readiness to accept the need for military conflict resolution.

In the second chapter of the book, Hyde-Price asks if Germany remains a 'civilian power' after the events of Kosovo. He describes the developments that led to the German involvement in the military campaign in Kosovo, which had its origins in the 1994 sanctioning of German military engagement through the German Constitutional Court. Hyde-Price concludes by restating the claim already made earlier, that Germany would remain a 'civilian power', but one which had become more 'normal' in that it accepted that the use of military force might be necessary in some cases.

He bases his claim on the view that a 'civilian power' would not necessarily have to renounce the use of force in principle, but would have to generally aim at the protection of human rights and values.

Harnisch shares Hyde-Price's view when he emphasises that a 'civilian power' would in principle have to support a civilised global framework, based on preventive peaceful conflict resolution mechanisms, the rule of law, interdependence and social justice. Harnisch suggests that the continuing German support for conflict resolution within multilateral frameworks like the United Nations and the OSCE based on the securing of human rights, shows that it had largely continued to adhere to its pre-1989 'civilian' principles. He concludes that the changes regarding German military engagement in the 1990s would only amount to a modification of the traditional 'civilian power' approach. This would be clearly shown by the way it contrasts with other countries that Germany still preferred to base any military engagement on a clear U.N. mandate.

Baumann and Hellmann examine Germany's attitude towards the use of military force and observe that the West German Federal Republic was characterised by a culture of anti-militarism, multilateralism and a strong desire to promote European integration. The authors emphasise that the Kohl administration would have already made cautious attempts towards greater German military engagement in the early 1990s, but were held back by a persistently sceptical German public. The full military engagement in the bombing raids on Serbia during the Kosovo crisis is seen as a logical result of a gradual process of 'normalisation' by Baumann and Hellmann, which had started with the German AWACs surveillance flights over Bosnia-Herzegovina in 1993 and continued with the participation in IFOR and SFOR

missions. Hence they conclude that Kosovo was a turning point in Germany's post-unification foreign policy, as the military engagement had been decided by the essentially pacifist red-green coalition and had also for the first time been accepted by the majority of the German public.

Wessels focuses on the fears of Germany's European neighbours about the extent of German power in Europe. He points out that the Bonn republic had managed to convince its European partners through the deep integration into the framework of the European Community, that German power would never again become a threat for the European continent. However, after the end of the Cold War, the old fears of renewed German hegemonial ambitions had again re-emerged among many European countries. Wessels stresses that such fears were completely unfounded, as Germans had become far too occupied with their post-unification domestic problems to be able to seek a dominant position in Europe.

German leaders would therefore avoid any unilateral approach and instead support the expansion of the multilateral frameworks of NATO and the EU, in order to avoid a situation where Germany would be stuck in a permanent 'frontline status' between East and West in Europe. The greater willingness to take on military risks is assessed by Wessels as an attempt by Germany to become a 'normal state' in Europe.

This essentially multilateral orientation would nevertheless remain.

Le Gloannec offers a French perspective on the power of the larger Germany in Europe. She argues that Germany would remain fundamentally orientated towards multilateralism but had managed to liberate itself from the pre-1990 political constraints and had consequently become more like any other EU member state.

Le Gloannec emphasises that fears of a new German unilateralism were unrealistic, as it would deprive the country of the influence it has within multilateral frameworks like NATO and the EU. She also indicates that Germany has already lost the its strongest former power asset, the *Deutsche Mark*, due to the European Economic and Monetary Union. Before the Maastricht Treaty and EMU, Germany (especially through the *Bundesbank*) would have been able to dominate the economic agenda within the European Community, which amounted to a kind of 'semi-hegemony', especially in the monetary area.

Le Gloannec detects a more short-term approach towards European issues under the red-green coalition, which would also affect the Franco-German partnership. She stresses that in a larger Europe, where multiple alliances will become more important, Germany would focus less on the single bilateral partnership with France than it did before.

In the final chapter of Webber's compilation, Bulmer, Maurer and Paterson attempt to assess the effectiveness of Germany's European policy-making framework.

They believe that the post-war West German European policy had been dominated by a deliberate neglect of national interests in favour of supranational integration.

The authors stress that in institutional terms, the Ministry of Economics was the dominant actor in German foreign policy-making up to 1989, which was neither fundamentally challenged by a relatively weak Foreign Office, nor by a non-existing independent European Ministry.

However, after the election victory of the SPD and the Green Party in 1998 the then finance minister Lafontaine managed to gain significant European policy competences from the Ministry of Economics, which has turned the Ministry of Finance into the crucial actor with regard to European affairs. Moreover, co-ordination between the different ministries in Germany would be traditionally weak and complicated further by a relatively strong position of the Chancellor on European policy matters. The necessity to form coalition governments and the growing influence of the *Länder* would also contribute to the diffusion of German European policy. Nevertheless Bulmer, Maurer and Paterson suggest that the foreign ministry had improved its standing under the leadership of Joschka Fischer. Overall, the authors see a rather difficult and slow process of foreign policy-making within an institutional framework, in which power is diffused between many different actors. They stress that the German European policy in the 1990s was based on continuity, albeit with a greater focus on domestic interests.

The question whether Germany continues to remain a 'civilian power' after the 'normalisation' of its active military engagement under the red-green coalition continues to dominate the current discussion about German foreign and European policy.

Harnisch and Maull (2001) have published a whole book on the question, in which they argue that in spite of the changes that had been necessary to fulfil the larger Germany's obligations towards its allies, Germany still essentially remains a 'civilian power'. They believe that the German domestic system which promotes the need to find broad consensus on foreign policy issues and the continuing orientation of German foreign policy towards peaceful and multilateral conflict resolution has not moved away from the 'civilian power' ideal type. They hence conclude that Germany had turned into a 'modified civilian power' instead of a classic realist state. The book also contains an interesting documentation of the post-1990 path towards greater military engagement by Maull, where he explains the changes the individual parties, especially the SPD and the Green Party, have undergone regarding their opposition towards any active military *Bundeswehr* involvement after unification.

In another chapter, Frenkler looks at German European diplomacy at Maastricht and asks if the German approach was indeed 'civilian'. He concludes that despite the uncompromising German position on the EMU stability pact, which many saw as a sign of a new power politics approach, Germany remains mainly 'civilian' in its attitude, as it fails to pursue a clear course of national interest.

Gunter Hellmann, who contributed to Webber's book, has also looked at this issue in a more comprehensive paper published as part of the discussion papers of the Institute for German Studies in Birmingham. He supports the argument of Harnisch and Maull that the willingness to take on greater military responsibilities was almost a necessity for the larger Germany to meet the growing expectations among its partners that a larger Germany would play a more important role in Europe. For Hellmann, this 'normalisation' of the German role in Europe consequently amounts to a more self-confident attitude, which will not always be to the liking of Germany's partners, but had not changed Germany's general 'civilian' orientation.

Lees (2000) has written a general analysis of the red-green coalition and its leading personalities, which offers an assessment on the first two years of the SPD and the Green Party whilst in power. His account is already quite dated, but is still useful with regard to understanding the government's initial difficulties in coming to a clear course on domestic and foreign policy issues.

Due to the permanent rivalry between Chancellor Schröder and Finance Minister Oskar Lafontaine. Lees also shows how the Schröder administration was almost forced to accept the results of Germany's greater political weight by the Kosovo crisis, which made a German military commitment indispensable for the country not to snub its allies.

David Marsh (2002) has written an interesting review of the impact of Germany's increasing economic troubles on its position in the EU. In his article contributed to the German-British forum, he warns that the German economic weakness might not only endanger German influence within the EU, but also undermine the eurozone as a whole. For this reason Marsh advises German leaders that they are in danger of losing Germany's traditional post-war status as an economic role model in Europe to other EU member states.

The most recent publication on German European policy studies how it is perceived in other European countries, including those of Central and Eastern Europe (Jopp, Schneider and Schmalz, 2002). Therefore it offers a different perspective on Germany's post-1990 European policy. Key importance in this respect is the point of view of Germany's two largest EU neighbours, France and the United Kingdom. Guérin-Sendelbach and Schild assess the German role in Europe from the French perspective, and emphasise that the partnership between France and Germany has never the same after 1990. They confirm that the French saw the Maastricht Treaty mainly as a means to contain the political and economic power of the larger Germany. Interestingly, Guérin-Sendelbach and Schild show that the French perception of the German negotiation style at Maastricht and afterwards had been conceived as an indication of a new German 'triumphalism'. French leaders would for this reason clearly noticed the greater German emphasis on domestic interests which reached its peak at Nice, where they met German opposition against their own reform proposals. Guérin-Sendelbach and Schild explain that Nice had been the turning point for French leaders, where they had to realise that Germany had become politically equal. With regard to the future of the EU, both authors emphasise that France continues to be driven by fears that Germany might exploit its increased influence in an enlarged EU.

In a later chapter, Paterson offers the British perspective of the changes in German European policy since 1990. He stresses that before German reunification, the British perceived Germany as the junior partner in the Franco-German leadership tandem. As a result, they had little fear of renewed German domination in Europe. However, this situation changed, as the prospect of unification became more realistic in 1989, and a larger Germany was suddenly perceived as a 'potential hegemon' again.

Paterson points out that this view changed completely when the essentially pro-European Blair administration ended the 18 years of Eurosceptic Conservative reign in 1997. In contrast to the Conservatives, the new British government would welcome a more self-confident German approach in Europe, as part of a process of 'normalisation'. Therefore Paterson believes there to be a generally positive perception of German power in Europe predominating in Britain under New Labour, which sees Germany's deep integration into the multilateral framework of the EU as an irreversible fact. He argues, in contrast to other European countries, Britain would consequently welcome the end of Germany's formerly limited political role in Europe as a possible prerequisite for greater British-German co-operation on issues of common interest.

The book also contains views from the three leading Central and Eastern European countries, Poland, the Czech Republic and Hungary, who will join the EU in 2004. Buras and Cickocki (Poland), Handl (Czech Republic) and Kiss (Hungary) all emphasise that initial fears within their countries about the influence of the larger Germany in Europe have been replaced to a more positive assessment of the German role as a promoter of the enlargement process, and an advocate of the interests of the CEE countries within the EU.

### 3. Britain

For the essential orientation on the nature of British foreign policy after the Second World War, Sanders (1990) offers a valuable account of post-war British interests and strategies in each of the three concentric circles of foreign policy interest set out by Churchill. He explains that for British leaders, the European circle was perceived as having less importance than the safeguarding of the economically important relations within the British Commonwealth and the 'special relationship' with the United

States, which, at least from the British perspective, would continue to maintain Britain's role as a great power. The chapter on Britain's gradual movement towards Europe in the late 1950s, in which George explains this development mainly on the basis of Britain's increasing economic troubles and the weakening of its former Empire, is crucial for the understanding of Britain's post-war relations with the European continent. Sanders criticises the post-war tendency by successive British governments to hold on to the belief that their country is still a Great Power, which had led to a foreign policy of 'imperial overstretch' and a chronic neglect of Britain's relations with Europe. This in turn had seriously undermined British influence in the shaping of the European framework.

Britain's frequent difficult relations with continental Europe have been widely discussed among British historians and political scientists, as they continue to pose an unsolved challenge for the country's foreign policy. The most influential account of British post-war relations is certainly by George, now available in the third edition (George, 1998). George's 'awkward partner' thesis tends to present Britain as a special case in Europe which found itself in a different position than most of the continental European countries after the end of WW2. He argues that British leaders had found it hard to limit their traditionally global foreign policy perspective to the regional entity of Europe, and would have preferred to leave the post-war supervision of Europe to the United States, rather than to the Europeans themselves. George indicates that Britain was moving its focus towards Europe in the late 1950s mainly for economic reason, but that the British did never really give up their reservations towards the integration project.

George has also edited a volume on British European policy (George, 1992), in which Bulmer characterizes the British attitude towards European integration as a rather confused mixture of partial engagement and a general unwillingness to accept the reality of change.

In addition, George has contributed to another very important compilation of assessments of Britain's relations with Europe after 1945 by Brivati and Jones (1993), where he summarizes his 'awkward partner' considerations.

The book includes an assessment of the importance of the British Commonwealth by Butler, who points out that the decline of economic importance of the Commonwealth in the late 1950s/early 1960s led to a redefinition of British foreign policy priorities. Hibbert, who had been involved in the British application negotiations between 1961 and 1973, provides a witness account.

He stresses that, in the aftermath of WW2, British leaders had failed to realise that Britain's global role was starting to change. As Hibbert argues, they therefore failed to take part in the initial stages of the European integration process, and followed the illusion that they could maintain an Empire 'on which the sun never sets'. In another chapter, Donoghue studies how, the Wilson government was forced to push towards the renegotiation of the British membership terms, after the third and finally successful British accession bid in 1973. Donoghue outlines the pressures the Wilson government was under from within the left wing of his own party, which still perceived the EEC as a 'capitalist club' and advocated withdrawal.

This is also stressed by Kavanagh (1996), who believes that the main reason for the failure of the UK to make positive use of its EC membership after 1973 was the continuing hostility on the part of the left-wing of the Labour party, and the trade unions throughout the 1970s and early 1980s.

The succeeding public referendum on Britain's EC membership in 1975, only two years after Britain's accession, is covered by Worcester (2000). He analyses how the Wilson government managed to convince a majority of the rather sceptical British public to vote for staying inside the Community. Worcester argues that the campaign had largely been won because the government, especially the Prime Minister, provided strong leadership throughout the campaign. He also emphasises that the 1975 referendum was comparatively easy to win, as voters had to decide on whether to reverse a decision already made. From Worcester's point of view, this made it fundamentally different from a possible referendum on the euro, in which the British public will be asked to agree to abandon their currency and to join a monetary union of which they have little experience.

A rather dated evaluation of British EC membership can be found in Bulmer, George and Scott (1992), where Nicholls has written a summary of the historical background of British membership of the European Community. He explains that both main British parties, Labour and the Conservatives had been sceptical towards British involvement in the process of European integration after WW2.

He argues that even after Britain had become a member in 1973, British leaders had largely perceived their country's membership as a means to establish a leading position in Europe rather than to genuinely engage in the Community framework.

As Nicholls underlines, an 'us and them' culture would consequently persist in Britain's relations with the rest of Europe.

Greenwood (1992) offers a comprehensive introduction to Britain's post-war attitude towards European integration after 1945. In his introduction he emphasises the difficulties Britain's late entry brought for British engagement after 1973. In this respect, especially Greenwood's description of Margaret Thatcher's hardline bargaining stance on the Community level is interesting. He shows how Thatcher perceived the conditions of British membership as unjust and consequently demanded a rebate, and how she was generally sceptical towards the further deepening of European integration.

The same is true for the account on Britain and Europe by May (1999), who places emphasis on how British leaders failed to lead in Europe and were unable to prevent their country from having to follow many unwanted developments.

Ludlow (1997) focuses especially on the first British attempt to join the EEC in 1961 and describes in detail the reasons behind the failure of the first application attempt. He believes the main reasons for the rejection of the first British application to be obviously cautious attitude on both the part of the British negotiators and the five EEC member states, who were reluctant to challenge President de Gaulle's veto. The book is a crucial contribution for a better understanding of the British failure to join early, as it is based on various previously undisclosed sources.

Barzini (1983) provides a more cultural interpretation of the British difficulties with Europe. In his book about the cultural differences between the countries of Europe, Barzini describes the British as 'imperturbable' in their conviction that they could deal with their own problems independently from mainland Europe, which they had traditionally perceived as dominated by sinister influences. He therefore perceives Britain's attitude towards Europe to be characterised by a feeling of 'superiority', and a desire to limit their engagement on the continent enough to make sure that a 'balance of power' would be maintained. Barzini reckons that this 'superior' attitude would gradually vanish in contemporary Britain. He concludes that the problems mainly stem from the fact that the British shows a general reluctance to become engaged in 'vast political designs', and would usually only join them when it becomes inevitable.

This view is also supported by Varsori (1995), who underlines that Britain's post-war relations with the rest of Europe were dominated by a British self-perception of being 'diverse' in comparison to the defeated countries on the European continent. As Varsori argues, Britain still had its Empire and the supposedly 'special relationship' with the United States, which it saw as the foundation for the preservation of a global role. However, he also makes an important observation when he hints at the British disappointment with regard to the loss of influence in Washington after it had become clear that Britain would leave the leadership in Europe to France and Germany. Varsori critically remarks that even in the 1980s and early 1990s, British leaders failed to abandon the myth of Britain's 'diversity', which resulted in seriously hampering their standing in the European Community.

Denman (1997), a former British diplomat, sums up Britain's approach towards Europe after 1945 as a history of 'missed chances' in establishing a leading position for itself within the European Community. He argues that Britain had failed to break with its imperial past and continued to follow an unrealistic self-perception.

For Denman, this is mainly due to the fact that, in contrast to the continental experience, no fundamental break in British history had occurred. An 'old-fashioned society' would therefore resist any fundamental changes in British foreign policy, supported by a British political class, who perceive the Community to be a threat to their own domestic position.

Peterson (1995) has contributed a chapter on Britain and Europe to the regularly updated series *Development in British Politics*, which analyses changes in British domestic and foreign policies, including the British state structure. He supports many analysts in the view that the British position in Europe suffers from a lack of domestic political leadership, which leaves the debate about Europe predominantly to the tabloids. For Peterson, the decline in Britain's importance on the global level could only be reversed if Britain became actively engaged in the EU, a regional entity which is becoming an ever more important actor in world politics.

Smith (1996) identifies the main reason for Britain's difficulties with European integration to be the British pragmatism, which would be different from the visionary approach of continental Europeans. He argues that the British tend to take things as they come and are sceptical towards long-term visions for the future. In contrast, on the continent a tendency to produce detailed plans for any future eventualities would be predominant. Hence Britain would find it harder than any other member state to accept the set rules and procedures of the European Union.

The Commission on Britain and Europe of the Royal Institute of International Affairs published its final report in 1997, which analyses Britain's future role in Europe.

The report calls for a more active British role in Europe and expresses hope that such a stance will prevail under the newly elected Labour government. It examines the contributions Britain could make in areas such as institutional and economic reform, defence, enlargement and justice and home affairs. The report is an interesting piece of evidence about the redefinition of British European policy which was attempted by New Labour after the 18 years of Conservative scepticism towards engagement in Europe.

The most detailed account of British-European relations to date has been published by Hugo Young (1998). Young limits himself to the discussion of general developments in British European policy since 1945, but describes the individual policies of every single post-war British government in individual chapters. His work includes an in-depth analysis of the successful final application negotiations under the Heath government, and an extensive chapter on the reasons behind Margaret Thatcher's Euroscepticism.

Young even included an early assessment of the changes under the Blair administration, which, in retrospect seems slightly too optimistic in its expectations. He claims that Britain had persistently seen integration into Europe as a 'defeat' and an end to its superior position with regard to its continental neighbours.

A long-term observer of British relations with Europe and British foreign policy is John W. Young. Young did analyse the perspectives for British foreign policy in the 21st century (Young, 1997) and concludes that Britain made a fatal mistake in assuming that it could influence events in Europe, whilst at the same time maintaining its global role. He also published a very detailed account of Britain and European integration between 1945 and 1999 (Young, 2000), which included the first two years of the first term of the Blair administration. He criticizes Stephen George's claim that the UK had pursued a 'special way' in its European policy. Instead he argues that British leaders did nothing else than follow their country's foreign policy tradition which has been more globally orientated and less focused on the need to pool sovereignty in comparison to those of the countries on the European continent. Nevertheless Young criticises British leaders for engaging in Europe too late, and for missing the chance to profoundly influence the shape of the European institutional framework. As Young points out, the result is a persistent uneasiness regarding the idea of Europe among British elites, the media and the public.

Young's criticism of George's 'awkward partner' approach is shared by Kaiser (1999), who gives a foreign view of the British role in Europe. Kaiser argues that those who claim that Britain pursued a 'special way' in Europe tend to neglect the fact that Britain had no urgent need to engage in the process of European integration immediately after WW2. He hence judges the British reluctance to integrate into a supranational European framework as part of its traditional reluctance to join long-term permanent alliances and to prefer to pursue a 'balance of power' approach in Europe. On the other hand, Kaiser makes it clear that British leaders did make a serious misjudgement when they assumed that once Britain was a member, they could shape the Community along the lines of their interests, even when it had already been in existence for more than twenty years.

Marr (1999) discusses the British view of Europe in his widely acclaimed book on the 'death' of Britain. He emphasises that the British will continue to use the European Union as a scapegoat for many domestic problems. For Marr, the British cultural self-perception is closer to the United States than to the European neighbours.

He argues that due to the refusal by the majority of the British to believe the obvious benefits an increased engagement in Europe would bring, European integration is still mainly perceived as a threat to British independence and state sovereignty.

Keens-Soper, who includes a chapter on British European policy in her book on the role of the EU in world politics (Keens-Soper, 2000), warns that a continuation of Britain's role as an 'exclusive Albion' would sooner or later not only undermine the British position in Europe, but more so threaten the country's influence on a global level. Keens-Soper predicts that Britain would only be able to maintain its influence in Washington and elsewhere if it became an actively engaged member of the EU, and would otherwise lose out to other large European countries, especially Germany.

A very useful compilation of original source documents on Britain's relations with Europe between 1945 and 1998 was published by Gowland and Turner (2000). The book provides short summaries of the major periodical developments at the beginning of each section, followed by important speeches, treaties and other source material. As it is relatively up to date, it represents an essential reference for any research on post-WW2 British European policy.

Ash has written an interesting article on the debate about Britain's cultural affiliation in *International Affairs* (77/2001). He asks if Britain is European or American, and he finds it difficult to come to a clear conclusion. Ash stresses that Britain had traditionally been closer to American culture than any other country in Europe, but also argues that the whole of Europe has become increasingly more Americanised after WW2.

Regarding the changes in position of the British political party attitudes towards Europe, it is interesting to consider Clark's history of the Conservative Party (Clark, 1998), where he shows how they changed their attitude towards European integration over the decades.

Especially striking is Clarke's description of the changes between the pro-European Heath administration and the Eurosceptic Thatcher and Major administrations, which in the end collapsed under the pressure of their divisions on Europe.

In the case of the Labour Party, George and Rosamond have contributed an analysis to the 1992 volume on the development of the party in the late 1980s and early 1990s, edited by Spear (George and Rosamond, 1992). Both authors describe how Margaret Thatcher's opposition to the socialist proposals of the Delors Commission increasingly caused the Labour Party to perceive the European Community as an ally in its opposition against Thatcherism.

Brivati and Heffernan have edited a comprehensive history of the Labour Party on the occasion of its 100<sup>th</sup> birthday. It includes a number of informative contributions on Labour's European policy since 1945. Heffernan explains the change in Labour's stance on European integration over the decades. He argues that Labour's post-war policy priorities could not be brought in line with a pro-European attitude, as European integration was supposed to hamper the development of domestic socialist economic policies. Heffernan shows that the Wilson government only gradually became interested in European integration when Britain's economic decline became more and more obvious. He also indicates that the Labour party as a whole remained deeply sceptical towards Britain's Community membership throughout the whole of the 1970s and early 1980s, culminating in demands for withdrawal in the 1983 general election manifesto. Heffernan then describes the gradual change under the leadership of Neil Kinnock, during which the Labour Party was still rather reluctant towards European integration, but increasingly believed Brussels to be an ally against Thatcherism at home. For Heffernan, the real change towards genuine pro-Europeanism only came under Tony Blair's leadership, although New Labour was rather cautious in its European policy and base its engagement in Europe on a strong awareness of British national interests.

Lord Owen, who left the Labour Party and became a co-founder of the SDP in the early 1980s, gives his personal reasons for his defection from Labour in the book.

He stresses that one of the major reasons for the defection of many Labour members to the more mainstream SDP had been Labour's extreme anti-European stance in the early 1980s. Owen's account is therefore a testimony of the split on Europe within the Labour Party in the 1980s.

As in the German case, it is also interesting to consider the personal accounts of leading politicians in addition to the academic research that is available on British foreign policy.

For an understanding of the Eurosceptic right-wing attitude of the Conservative party, which is shared by a large part of the British tabloid press, the memoirs of former Conservative Prime Minister Margaret Thatcher are essential. The personal account of her years in Downing Street (Thatcher, 1993) show how she became increasingly frustrated with her European partners, who did not share her desire to develop Europe into a free trade area with minimal political implications as possible. She never managed to come to an understanding of the continental desire to unify Europe in a political institutional framework, and perceived Brussels mainly as a threat to British independence and a continental socialist plot to counter the Thatcherite reforms at home. Her memoirs also show her lack of personal relations with other European leaders, especially with Germany's Chancellor Kohl, with whom she had a dispute over his desire to push towards reunification. Also with French President Mitterrand, when she became deeply disappointed after he had failed to back her resistance towards German unification. Thatcher's latest book (2002) is an even clearer testimony of the former Prime Minister's increasingly anti-European views. She now argues that the European Union could not be reformed and consequently advocates that Britain should leave the EU as soon as possible. She also strongly rejects the notion that Britain should ever join the eurozone, a stance which has also been adopted by the current leadership of the Conservative Party.

Another leading Conservative Eurosceptic is John Redwood. He has published a number of books on Britain and Europe, in which he warns that Britain would be in danger of losing the substance of its state sovereignty if British leaders continue to agree with the deepening of political and economic integration (Redwood, 1999).

Redwood has also repeatedly made aware that Britain should not join the Economic and Monetary Union, which he considers to be a Franco-German plot to subsume the sovereignty of the nation states in Europe under a European Union government in Brussels (Redwood, 1997 and 2001). Although Redwood never became leader of the Conservative Party, his views are shared by many within his own party and among the British tabloid press. Therefore it is important to take his views into consideration in order to understand the reasons behind the widespread scepticism towards the European Union in Britain.

Prime Minister Tony Blair published his vision of Britain on the occasion of the 1997 general election, which brought Labour to power (Blair, 1996). The book consists of a collection of speeches and articles written by Blair, and clearly shows the contrast of Blair's European policy approach in comparison with the one pursued under the Conservatives. The most important aspect of Blair's expositions is that he no longer follows the traditional British self-perception as a global power beyond Europe, but underlines his belief that Britain will only maintain influence on a global scale as part of Europe. The basically positive stance towards the European Community accordingly became part of his new approach towards European issues in government, which has been more constructive than under any previous British Prime Minister.

Various contributions on the debate about Britain's policy can be found in the compilation edited by Rosenbaum (2001). The book combines contributions by leading British political elites, including the main party leaders on the major policy issues, such as EMU, defence and security, institutional reform and relations with the U.S. Thus it provides an essential reference on the British debate about Europe on the brink of the 21<sup>st</sup> century.

For an understanding of Britain's relations with Europe, it is also certainly important to look at Britain's domestic state framework, which is part of the reason why the British are more reluctant than other nations to join supranational designs.

Norton (1998) provides a good survey of the constitutional arrangement of the British state in *Politics UK*, a regularly updated textbook on British politics. He identifies the key components of the British constitution, based on parliamentary sovereignty, the rule of law, a unitary state structure, parliamentary democracy and a monarch as head of state. Norton stresses that with regard to British EU membership, the main issue for domestic debate centres round the impact it has on the sovereignty of the Westminster parliament.

An excellent analysis of the British political system and state tradition can also be found in a German publication, the regularly revised report on Britain published by the *Bundeszentrale für politische Bildung* in Berlin. The report combines contributions by the leading German experts on the United Kingdom, including prominent British political scientists. In the latest edition, Sturm (1998) looks at Britain's constitutional framework and political system, including the main institutions of the British state and the devolved constitutional arrangements in Scotland, Wales and Northern Ireland. He stresses that the principle of parliamentary sovereignty, which has become the basis of the British state, is increasingly challenged by the process of regional devolution and deepening European integration. Sturm concludes that the prospect of a reformed constitutional framework for Britain could be a realistic possibility in the future.

Bogdanor (1999) has published a comprehensive analysis of the effect the process of devolution, which was initiated under the Blair administration, will have for the structure of the British state. Bogdanor rejects the notion that the devolution process would inevitably lead to the separation of the United Kingdom, which, as he thinks, is held together by a strong sense of unity among the British people. He nevertheless points out that the strengthened representation of regions on the European Union level, in the Committee of the Regions and the devolution process at home would give the devolved regions a stronger voice with regard to European issues.

#### 4. Franco-German alliance

The condition of the close post-WW2 partnership between France and Germany has been widely discussed in the academic debate about the development of European integration since 1945. The bilateral relationship, which has often been described as an 'alliance' or 'axis', became the backbone of the first forty years of the integration process.

A crucial chronology of the development of the Franco-German partnership between 1948 and 1999 was published by the German *Europa Union Verlag* (2000).

In short summaries of the major events of each year since 1948, supported by excerpts from major speeches made by French and German elites, the book documents the importance of the partnership for the unification of Europe, in addition to bilateral treaties and agreements. It therefore provides the best basic point of reference on the Franco-German alliance yet published. As mentioned earlier, personal assessments of why the relationship was perceived to have such crucial importance for West Germany's foreign policy can also be found in the memoirs of leading West German politicians such as Brandt (1990), Genscher (1995), and Schmidt (1990, 1996).

Guyomarch, Machin and Ritchie (1998) offer a good analysis of France's role in Europe, dealing with French European policy since 1945 and the domestic state framework, including the role of the President, the Prime Minister, major political parties and public opinion. The book also includes separate chapters on French contributions to a Common Foreign and Security Policy, the CAP, economic and social policies and regional devolution in the EU. The authors argue that the French have tended to use European integration after WW2 in order to develop a framework to serve the double purpose of being independent from the United States and of containing German power.

Overall, Guyomarch, Machin and Ritchie draw awareness to the fact that France's European policy has been rather inconsistent over the decades and strongly depends on the leaders of the day, especially on who holds the office of President.

The most interesting aspect of the book is the authors' explanation of how the domestic 'state machinery' influences French European policy. Guyomarch, Machin and Ritchie perceive the President to be in an extraordinarily strong position with regard to European policy-making, because he has unlimited influence on foreign policy matters and is the main French foreign policy representative at EU summits.

The authors emphasise, that the President's leading role on foreign policy issues can be seriously limited if he has to share power with a Prime Minister who is not from his own party. A self-confident Prime Minister like the former Socialist Lionel Jospin, who governed in cohabitation with Gaullist Jacques Chirac, would therefore be able to influence the President's decision-making on foreign policy significantly. Guyomarch, Machin and Ritchie generally expect a decline in French influence in a larger EU, where a single national interest would matter less than in the original Community of the six, in which France had a significant position.

Webber (1999) has published a detailed study of the nature of Franco-German relations since WW2, which assesses the impact the Franco-German collaboration had on various policy areas of the EU. Webber's analysis includes monetary union, enlargement, the liberalisation of electricity and telecommunication markets, research and technology and, of course, agricultural policy. He perceives Franco-German relations to be part of an 'institutionalised' partnership, where both partners try to avoid open disagreements, and attempt to reach common positions before important summits. For Webber, this is what makes the Franco-German partnership crucial for the EU. However, he also stresses that the relationship can actually act as a brake for progress in the Community, when both partners disagree on an issue. Webber explains that the Franco-German partnership is based on a network of contacts between many different levels in France and Germany in which the German Chancellor and the French president occupy a special mediating position. The fact that the Franco-German partnership has managed to push forward many important developments in the European Community is the main reason why Webber considers it to be widely accepted by the other member states. Although he notes a change in the balance between France and Germany since German unification, through which the German political weight has increased significantly, he does not think that the partnership had its day. On the contrary, Webber claims that Franco-German co-operation became more effective the further European integration advanced.

The book also includes an account of the Franco-German negotiations on monetary union by Jonathan Story, where he analyses the interests both countries had in creating the Single European Currency.

Cole (2001) provides the best analysis of Franco-German relations available. His book is based on Webber, but has a much wider focus. Cole explains how the Franco-German partnership developed in the immediate aftermath of the Second World War, and reveals how it changed up to and after German reunification in 1990. Cole's analysis does not only include the domestic assessment of the bilateral partnership in both countries and its impact on the shape of the European Union (especially in the economic and security area). He also dedicates a chapter to the changes that occurred after the election of centre-left governments in France, Germany and Britain in the late 1990s. Cole considers the bilateral partnership to prevail, in spite of the changes in the power balance between the two countries in the 1990s. Nonetheless he emphasises that growing disagreements between French and German leaders on crucial issues (such as reform of the Common Agricultural Policy) have at times left a 'leadership vacuum' in the EU. Like Webber, Cole perceives the importance of the Franco-German partnership diminished in an EU, where multiple working relationships are becoming increasingly important. Therefore he warns that in the long term, the partnership might be reduced to an 'elitist project' which not only increasingly loses public backing in both countries, but also more and more of its overall influence in a larger EU.

Guérot, Stark and Defarges have contributed an article to Werner Weidenfeld's compilation of discussions on the restructuring of German European policy towards greater efficiency (Guérot, Stark and Defarges, 1998). They examine options for German European policy as part of the Franco-German partnership after 1990 and look at a number of issues, including EMU, defence and security and institutional reform. Guérot, Stark and Defarges argue that both countries have a strong interest in European monetary integration and therefore reject the notion that Germany was forced by France to 'trade off' its national currency in order to get French support for reunification. On the contrary, German leaders would have realised that their monetary dominance could not be sustained indefinitely.

With regard to foreign and security policy, Guérot, Stark and Defarges believe that the French drive towards a CFSP for the EU in the 1990s was based on the initial fear that the unified Germany might turn its back on the Western security framework. The authors criticise the French tendency to try to use the issue of CFSP as an attempt to preserve national Great Power status and to install it as an alternative to NATO, which would prevent further co-operation with the Germans, who do not want to sever the transatlantic links. They also indicate that both countries are far apart on institutional reform. France would pursue a mainly centralist, intergovernmental approach to the reform of the EU, while Germany wanted a federal structure, based on subsidiarity and transparency. The difference in state tradition between the two countries would consequently make co-operation on institutional reform very difficult. Nevertheless they see perspectives for future Franco-German co-operation on the issue, provided that they both accept the changed nature of their post-1990 relationship and jointly support the process of eastward enlargement of the EU.

Guérot has also published a recent article in *Internationale Politik* (1/2002), in which she looks at the difficult relations between France and Germany in the aftermath of the Nice summit. Although Guérot claims that French and German leaders had managed to improve their personal relations after they obviously fell out at the summit, she also admits that France and Germany continue to show a fundamentally different approach towards the crucial enlargement process. She stresses that France reluctantly accepts the need to bring in the countries of Central and Eastern Europe as new members, and would prefer to maintain the institutional and procedural status quo after enlargement. Moreover, as Guérot argues, recent German proposals on institutional reform would fundamentally contradict the French state culture. Franco-German co-operation on institutional reform would therefore remain difficult and Guérot visualises the main future challenge for the two countries in their ability to prove to the rest of Europe that their partnership is still effective in producing results for the integration process.

A brief, but very interesting analysis of the events at Nice is provided by Grabbe in a briefing paper for the Centre for European Reform (Grabbe, 2001). Grabbe argues that the Nice summit would have finally made the decline of Franco-German relations obvious, which had already started after Maastricht.

She consequently predicts the end of the dominance of the bilateral partnership between France and Germany, to be replaced by shifting leadership alliances between the five largest member states France, Germany, the UK, Italy and Spain.

In another contribution for the CER, Grant (2001) explains why French leaders would be right to be increasingly worried about their influence in the EU. From Grant's point of view, it would be inconceivable that in an EU of 25 member states or more, even a well-functioning Franco-German partnership could dominate the agenda in the way it was able to in the initial stages of the integration process.

Schild (2001) also attempts an assessment of Franco-German relations after the Nice summit, and stresses that similar positions on a number of issues would no longer be sufficient to maintain a leadership role in an EU of 15 and more member states.

Schild explains that France's lack of willingness to find common agreements with Germany at Nice is an expression of the persistent French fear of German domination in Europe since unification. The result would be an increasingly confusing French attitude towards major European issues, captured between the desire to contain German power, and at the same time, to maintain as much national scope as possible. Schild consequently calls on French and German leaders to renew the mutual trust between themselves in order to avoid further erosion of the their partnership, which from Schild's point of view, will inevitably become less important in an EU of 27 members and more.

Froehly (2002) argues that France and Germany will only be able to maintain their traditional influence in the Community, if both countries would be ready to open up their partnership for other member states to join in. Froehly detects a declining willingness amongst both among French and German leaders to sacrifice national interests for the common goal of European unification, which has been shown in the lack of common Franco-German initiatives before and during the Nice summit.

A very controversial but nevertheless immensely interesting assessment of the role of the Franco-German relationship in the development of an integrated Europe can be found in Siedentop (2000).

Siedentop is clearly critical of the role of the French in Europe, which he blames for the weaknesses of the Maastricht Treaty, and sees it as an attempt to transfer the structure of the centralist and bureaucratic French to the Community level. He shares the view of many analysts that French European policy has been mainly driven by a desire to contain German power, something which, has become even more obvious after German unification. Siedentop also blames Britain for the failure to counter French influence in Europe, due to a lack of engagement in the process of European integration. In addition to this interesting view of the Franco-German alliance, Siedentop's book also presents various reform proposals for the future of the EU and debates the relations between Europe and the United States, and provides proposals on how Europe should bridge the cultural gap between itself and Iraq.

## 5. British-German relations

In contrast to the Franco-German partnership, which had a significant impact on the development of European integration since 1945, relations between Germany and Britain, have found little echo in academic research. No comprehensive and relatively up-to-date analysis of possible areas for British-German European policy co-operation exist, which would fully take into account the full first terms of the British Labour government and the German red-green coalition.

Larres has edited a compilation of articles on British-German relations since 1945 (Larres, 2000), and they offer a very good analysis of the relations between West Germany and the UK before 1989, as well as the British role during the process of German unification in 1989/90. The contributing authors detect a cultural closeness between the two countries, which had been covered by the animosities of WW2 and continued to burden British-German relations in the first 40 years after 1945. Nonetheless Larres et al have watched a remarkable improvement in relations between the two countries in the 1990s, when the wartime memoirs started to fade and the traditional cultural similarities started to resurface. The book also provides an extensive comparative section on British and German European policies, but does not take into account the recent developments in the wake of the Nice summit, like the intensifying debate on institutional reform and the controversy about a possible military attack on Iraq.

A similar approach can be found in Mommsen (1999). His book focuses mainly on the history of British-German relations and concedes little room to the analysis of policy positions in the two countries. Nonetheless it is a crucial contribution to the understanding of British-German relations since 1945.

Mommsen analyses the transfer of relations between the two countries, from former war-time enemies to partners in Europe. He supports the argument put forward by Larres, that an increasing normalisation in the two countries' relations has removed the mutual prejudices that emerged during the war. Mommsen detects this increasing normality especially on the British side. The widespread tendency during the Thatcher/Major era to compare German intentions in Europe with the policies of the Nazis, had therefore become a rarity, as Mommsen argues. In a separate chapter, Paterson shows the British difficulties with the European Community since 1945, that in his opinion still remain under the Blair government, which he considers to be essentially pragmatic towards European issues. Paterson argues that the unresolved question of EMU membership will define whether or not Britain becomes a fully engaged EU member state, and consequently a partner of equal value as France is for Germany.

Two recent publications have focused more on European policy positions in both countries. Lippert, Hughes, Grabbe and Becker (2001) concentrate on British and German interests in EU enlargement and reform. They provide a valuable interpretation of the motives behind the two countries' strong support for the enlargement process. The authors compare the British and the German case by emphasizing that both countries perceive enlargement project to include the countries of Central and Eastern Europe in an area of security and stability. They also identify that Britain is less reserved about further waves of enlargement than Germany, who borders the accession area. Moreover, the German support would be based far more on economic interests than that of Britain, where economic relations with the accession countries are still comparatively weak.

The most up to date publication on Britain and Germany is by Grabbe and Münchau (2002). The authors provide the first comparative analysis of British and German European policy positions, which does not only focus on a single policy area. Grabbe and Münchau argue that Britain and Germany would have a great potential to form a strong working partnership on many issues in the EU if they would be able to overcome their domestic constraints. In this respect, Grabbe and Münchau explicitly name the euro referendum in the British case, and the continuing economic weakness in the German case. The authors do not advocate a replacement of the Franco-German partnership by a German-British alliance. Although they argue that due to a number of correspondences in British and German European policy positions on issues such as enlargement, trade liberalisation and CAP reform, where they stand jointly against French opposition, the two countries could achieve significant progress for the whole of the EU if they would act as a team.

Grabbe and Münchau's book does however offer no comprehensive study of the individual British and German policy positions, and therefore serves mainly as a reference for further discussion and research.

## Chapter 1: Germany's European policy before and after reunification

Both before and after 1989, Germany has been a crucial player in the development of the European integration process. Deeply embedded in the institutional framework of NATO and the European Community, the Federal Republic of West Germany has been a vital partner for its neighbours in the West. As the country on the borderline between the two sides of the Iron Curtain, West Germany did not only provide an important asset for the defence of Western Europe against a possible Soviet threat. In the first forty years after WW2, West Germany had also become a strong force for reconciliation in Europe, both between East and West and between the West European nations themselves. The strong commitment towards the development of European integration, which West Germany exercised in close co-operation with its main partner France, became an important factor in the process of safeguarding peace and economic stability in Western Europe after 1945. The attempts of the West German *Ostpolitik* to overcome the ideological divisions with the East after 1969 (Hanrieder 1991, pp. 229-258) helped to ease the tensions of the Cold War and made the Iron Curtain more permeable, which became the basis for the events of 1989/90.

In spite of the fears among many of its partners, the unified Germany basically adopted the West German foreign policy legacy. Although the internal and external conditions for German foreign policy had changed after reunification, the larger Germany continued to remain committed to European integration and multilateral co-operation with its partners in the West. Unification has moved Germany even more into the centre of Europe, which has turned it into the *Zentralmacht*<sup>1</sup> (Central Power) of Europe. The prospect of EU enlargement into Central and Eastern Europe will increase Germany's standing even further. Not only will it have a crucial role in the enlargement process itself, but it is more than likely that it will become the main focus for the new member states, which have established close ties with Germany since the *Ostpolitik* of the 1970s.

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<sup>1</sup> See Hans-Peter Schwarz, who explains the characterisation of Germany as the *Zentralmacht* in Europe with its central geographical position, greater economic power and larger population size than any of the other big European nations, like e.g. Britain, France, Italy and Spain (see Schwarz, 1994 and 1999, p. 1).

This chapter looks at the essential features of post-war German European policy, including the internal and external changes that affected German European policy after the reunification of the two Germanys in 1989.

### 1.1. The foreign policy legacy of the West German Federal Republic

The foreign policy of the Bonn republic had been characterised by a strong aspiration to regain international standing after the damages that had been done in the German name by the Nazi regime. It was clear from the outset, that the Federal Republic of West Germany (FRG), which had been created out of the three Western occupational sectors in May 1949, would only be able to develop a foreign policy of limited sovereignty. Because the status of Berlin and Germany as a whole had not been settled among the victorious WW2 Allies<sup>2</sup> in a peace treaty, the Western Allies continued to reserve their occupational rights and responsibilities. West Germany was therefore never fully sovereign in its foreign policy, although it had regained formal sovereignty in the *Deutschlandvertrag* of 1955. The treaty was a reward for the willingness of West Germany's first Chancellor, Konrad Adenauer, to firmly integrate the Bonn republic into the West. It was based on a 'new relationship'<sup>3</sup> between West Germany and the three Western Allies, the United States, Britain and France, which confirmed that West Germany had officially become part of the alliance of Western democracies. The Allies encouraged the Federal Republic

'to completely link itself with the community of free nations, which contribute to the achievement of the common goals of the free world, through membership of international institutions' (*Deutschlandvertrag*, article 3, paragraph 2)

The *Deutschlandvertrag* hence became the basis for West German rearmament and its integration into the military and political framework of NATO in 1955.

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<sup>2</sup> The United States, the Soviet Union, Britain and France.

<sup>3</sup> *Vertrag über die Beziehungen zwischen der Bundesrepublik Deutschland und den Drei Mächten (Deutschlandvertrag)*, preamble  
(source: [www.auswaertiges-amt.de/www/de/infoservice/download/pdf/dokumente/6-1.pdf](http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/dokumente/6-1.pdf)).

The Western Allies granted the Bonn republic 'the full sovereign power over its internal and external affairs'<sup>4</sup>. They, however, limited this sovereignty by declaring that

' With regard to the international situation, which has so far prevented Germany's reunification and the signing of a peace treaty, the Three Powers retain their previously exercised rights and responsibilities with regard to Berlin and Germany as a whole, including German reunification and a peace treaty settlement.'  
(*Deutschlandvertrag*, article 2)

The *Deutschlandvertrag* therefore ended West Germany's *pre-sovereign* status and gave the country formal sovereignty over its internal and external affairs, in order for it to be able to join the community of Western democracies in its effort to contain Soviet expansion. The Federal Republic nonetheless *de facto* remained *semi-sovereign* as it had to consult the Western Allies with regard to any policies or treaties which would affect the relations between the two Germanys or the status of West Berlin. For this reason, West Germany's *semi-sovereign* status was hence part of the double containment strategy of the Western Allies. By deeply integrating Germany into multilateral institutional frameworks in the West, any chance of a German *Sonderweg* (special way) towards neutrality between East and West was prevented. Moreover, with German rearmament and integration into NATO, the West had found an important ally in its attempt to contain the Soviet Union<sup>5</sup>.

In spite of the continuing foreign policy constraints of the Allied rights and responsibilities, the regulations of the *Deutschlandvertrag* which were accompanied by West German membership of the European Coal and Steel Community (ECSC) and NATO, were therefore both in the interest of the Allies and of Germany itself.

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<sup>4</sup> Ibid, article 1, paragraph 2.

<sup>5</sup> As a border country to the Warsaw Pact, West Germany became an important asset for NATO in case of a Soviet attack on the West. With the aid of its NATO allies, the *Bundeswehr* thus developed a strong conventional capability (Hyde-Price, 2000, p.116).

The West German leadership under Adenauer was less interested in regaining full independent sovereignty over its foreign affairs. As part of his policy of firm integration into the West, Adenauer was content to play the role of a reliable partner with equal rights, in order to improve the Federal Republic's post-war reputation:

'The core element of the Bonn policy towards the West therefore was not an endeavour towards sovereign independence – a goal which did not have any chance for realisation and a term, which had become less important in the European post-war order – but the achievement of integration and equality (...). Adenauer's European policy became the essence and the symbol of the German willingness to tie itself into the West and renounce a seesaw policy'.

(Hanrieder, 1991, p.273)

Adenauer's policy of firm integration into the West had initially not been undisputed at home. The SPD opposition under the leadership of Kurt Schumacher was sceptical towards Adenauer's West European and transatlantic orientation and favoured a less pro-Western stance for West Germany. In contrast to Adenauer's policy, Schumacher wanted to turn Germany into a democratic socialist country, which would then integrate into a Europe of other socialist states. Schumacher was therefore rather critical of Adenauer's policy of close consultation with the Western Allies, especially the United States. In Schumacher's opinion, Adenauer's policy of firm integration into the West hampered the chances for German reunification and European unity. Only by taking a neutral stance towards both superpowers would Germany be able to help to develop Europe into a third power between the United States and the Soviet Union (Hacke, 1997, p.47). Adenauer's repeated election victories between 1949 and 1961 showed that the West German electorate refused the SPD's foreign policy ideas<sup>6</sup> and supported the policy of *Westbindung*. The Chancellor could therefore develop his foreign policy priorities with a strong public backing.

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<sup>6</sup> Even after Schumacher's death in 1952, the SPD continued to pursue the essential features of his foreign policy concept. It took the party until the 1959 in the *Godesberg* manifesto to go along with the government policy of integration into the West.

The Bonn republic consequently pursued a policy of strict multilateralism, which meant that any attempts to go-it-alone were strictly avoided and West German foreign policy was developed in close consultation with its partners in NATO and the European Community. In its European policy, the Federal Republic formed a close alliance with its former enemy France, and the two countries became the driving forces behind European integration. The Franco-German alliance provided Germany with two advantages: Firstly, by forming a continuous friendly partnership with France, West Germany showed that it had a strong desire to reconcile with the former arch enemy, and that it wanted to prevent the rise of further antagonism between European nations in the future. This calmed the fears of the Federal Republic's European neighbours that the Germans could attempt to pursue hegemonial aspirations again, and also improved West Germany's standing abroad. Secondly, the close bilateral relationship with France enabled Germany to exercise a relatively strong influence on the European integration process without raising any suspicions amongst its other partners. The Franco-German alliance was therefore crucial for the rebuilding of West Germany's post-war standing as it

'performs the valuable function of reassuring other EC states over Germany's intentions and of framing German interests under a discourse of historical reconciliation' (Cole, 2001, p.45)

The Franco-German alliance also helped to underline West Germany's self-definition as a Europeanised nation, i.e. a country that refused the notion of nationality and national self-interests but mainly defined itself as the European *Musterschüler* (the best pupil in the class). Due to the experiences of the past, the Federal Republic refrained from articulating any obvious national interests other than the advance of European integration and the long-term goal of peaceful reunification of the two German states. As a result, 'the nation was demonised and European integration was idealised' (Hacke, 1996, p. 1). The strong focus on Europeaness and the refusal to show obvious national pride consequently became a substantial element of the West German society (Kirchner, 1996, p. 157). It was closely linked to any refusal of old-style power politics and military force as a means of conflict resolution (Paulsen, 1999, p.545).

Because of the experiences Germans had made during two World Wars, both a majority of the West German public and the political elite supported a policy of peaceful conflict resolution through multilateral, preventive international co-operation. The Federal Republic's approach was hence widely described as a that of a 'civilian power', meaning

'a state that is willing to take the initiative and influence international politics through strategies that include (among others) the monopolisation of force within systems of collective security (such as the UN), the preference for non-violent resolution of disputes and the strengthening of the rule of law'.

(Harnisch, 2001, p. 35)

West Germany therefore developed an almost automatic ' "reflex" which sought to avoid overt positions of leadership' (Jeffery and Paterson, 2000, p.1). The consequence of this stance was that even if the representatives of the Bonn republic lead the debate on an issue, they still tried to present it as a multilateral initiative<sup>7</sup>. Therefore, if the national interest was not neglected for the sake of the advance of European integration, then it was at least 'articulated in European language' (Bulmer, Jeffery and Paterson, 2000, p.1). The Bonn republic was similarly fundamentalist with regard to its refusal of military force as a means of politics. Especially under its longest-standing Foreign Minister, the Liberal Democrat Hans-Dietrich Genscher (1974-1992), Germany promoted a cheque-book diplomacy, which preferred to contribute to the resolution of any conflict in financial rather than in military terms. *Genscherism* accepted the position of West Germany as the paymaster in Europe and in the world in order to prove that German national interests would always count less than support for supranational goals (Anderson, 1997, p. 86). It adopted a stance, which Max Weber had described as the 'ethics of ultimate ends', meaning that the rejection of force as a means of politics and the promotion of peace as an absolute priority became almost a creed for West German foreign policy:

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<sup>7</sup> A good example for this attitude was the creation of the European Monetary System, which was presented as a Franco-German initiative, but was in fact mainly developed by German Chancellor Schmidt (Cole, 2001, p.92 and Bulmer, 1997, p. 65). Schmidt managed to convince French president Valery Giscard d'Estaing of the need to find a European response to the collapse of the U.S. Bretton Woods system and the oil crisis of 1973/74, which had severely harmed the European economies. In his memoirs, Schmidt claims that the EMS was a joint Franco-German idea but fails to give any evidence for this (Schmidt, 1990, p.249).

‘The so-called Bonn Republic appeared to be almost as much of an extreme in comparison to other Western countries as was the Third Reich (...) Where Goebbels was declaring “total war” to the world, West German “Genscherists” were declaring “total peace” (...)’ (Baumann and Hellmann, 2001, p.61)

The Bonn republic was able to shape its own foreign policy within the boundaries of the constraints of its *semi-sovereign* status, and its commitment to multilateral action. The Western partners in NATO and the EC expected the leaders in Bonn to fully consult them on any new major West German foreign policy initiatives, which became especially obvious during the development of the new *Ostpolitik* in the late 1960s. When the SPD, which had been in opposition since 1949, managed to finally gain the West German Chancellorship for Willy Brandt in the first SPD/FDP coalition government in 1969, a new era in West German foreign policy had begun. Brandt was convinced that the rising tensions between East and West, and particularly between the two German states, would have to be reduced, in order to improve the living conditions for people living on both sides of the Iron Curtain. Brandt had already tried to initiate the first steps towards détente during his time as Foreign Minister under the CDU/CSU-SPD grand coalition government, led by CDU Chancellor Kurt Georg Kiesinger, between 1966 and 1969. The CDU/CSU had nevertheless been very reluctant to change its stance towards the East and to make any major concessions which would ease the tensions.

The main hurdle in this respect had been Kiesinger’s insistence on the principle of the foreign policy doctrine developed by Adenauer’s foreign policy advisor Walter Hallstein in 1955. The Hallstein doctrine fundamentally rejected the acceptance of the East German GDR as a legitimate state, and therefore made it a West German foreign policy principle to end all diplomatic ties with any country which would officially accept the state character of the GDR (Pfetsch, 1993, p.155). Although the grand coalition weakened the claim of sole representation which was part of the Hallstein doctrine, the SPD did not manage to convince the CDU/CSU to officially accept the GDR as the other German state.

This prevented a major breakthrough in the relations between the two Germanys, which would have been a fundamental prerequisite for a new character of diplomatic relations with the other Warsaw Pact states:

‘Through its policy of non-acceptance, the Bonn government put its sparse relations with the GDR effectively under far harder political circumstances than those to other East European states’ (Hanrieder, 1989)

Apart from the CDU/CSU’s fundamental opposition to any formal acceptance of state legitimacy for the GDR, the Warsaw Pact states had also not shown much willingness to compromise on any of their fundamental demands (Bingen, 1999, p.597).

Any major political breakthrough in terms of reconciliation between East and West hence failed because both sides were not ready to make fundamental concessions. This changed under the leadership of Willy Brandt, when the Federal Republic was finally ready to change its attitude towards the other German state. The two coalition partners, the SPD and the FDP (led by Foreign Minister Walter Scheel) agreed that the West German policy towards the Warsaw Pact states had to be revised. Brandt himself insisted that it was in the West German national interest to improve relations with the East, especially with the GDR:

‘The high time of the Cold War was over. The world situation had changed. Therefore, legitimate national interests demanded to remove the slag from West German policy towards Moscow and its allies. We knew where we belonged. And learned that the loyalty towards and the friendship with the West had to be supplemented with reconciliation and co-operation with the East’ (Brandt, 1990, p.170).

The new *Ostpolitik* (policy towards the East) which the Brandt/Scheel administration developed after 1969 represented no turning away from the previous principles of West German foreign policy. It was firmly based on the principle of integration into the West and did not in any way attempt to pursue neutralist ambitions (Meyer, 1999, p. 573).

The main aim of the new policy towards the East was the improvement of living conditions for Germans on both sides of the political divide, as well as the safeguarding of peace in Europe. The Brandt/Scheel administration was ready to accept the political status quo between East and West at the time in order to ease the tensions through a policy based on the principle of 'change through rapprochement' (Griffith, 1981, p. 236). In his first inaugural speech as West German Chancellor on October 28<sup>th</sup> 1969, Willy Brandt stressed that the improvement of the relations between the two German states would not only be in the interest of the German people but of Europe as a whole:

'20 years after the foundation of the Federal Republic and the GDR we have to prevent a further drifting apart of the German nation, we must therefore try to achieve co-operation through a well-ordered juxtaposition. This is not just a German interest, because it also has its significance for peace in Europe and for the relations between East and West'<sup>8</sup>

The new SPD/FDP administration was hence ready to abandon the Hallstein doctrine and to formally accept the existence of two German states in Europe. This effectively meant that the Federal Republic would formally acknowledge the political reality of the existence of the GDR as the second German state. It was part of the acceptance of the political status quo in Europe at the time, and improved the international standing of the GDR<sup>9</sup>. However, Bonn's new policy did not lead to an acceptance of the state character of the GDR under international law, a demand which the GDR and the Soviet Union had pursued for some time (Hacker, 1995, p. 42).

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<sup>8</sup> *Regierungserklärung von Bundeskanzler Willy Brandt, 28 October 1969, source: Archiv der Gegenwart, 30 October 1969, pp. 15000.*

<sup>9</sup> As a consequence of this new policy towards the GDR, both German states could become members of the United Nations on 18 September 1973.

The new administration had made clear from the outset that such a move would not be possible:

‘The acceptance of the GDR under international law is out of the question. Even though two states exist in Germany, they are not foreign countries to one another; their relations to one another can only be of a special character’<sup>10</sup>

The implications of the Federal Republic’s *semi-sovereign* status, became more than obvious once again during the development of the new *Ostpolitik*. Even if it would have wanted to accept the state character of the GDR under international law, Bonn would have needed the assent of the Western Allies under the regulations of the *Deutschlandvertrag*. The Western Allies remained responsible for any policies that would affect the status of Berlin and Germany as a whole, and they were therefore the guardians of the principle of German unity. Bonn had therefore no other choice than to develop its new bilateral policy of *détente* with the East in close consultation with the Western Allies and principally under their conditions.

Although the new *Ostpolitik* had fitted into a general trend towards *détente* between East and West by the end of the 1960s, which had been actively pursued by the U.S. Nixon/Kissinger administration, principal concerns among Bonn’s Western partners remained. The widespread fear, especially in France and the U.S., had been that the long-term goal of the *Ostpolitik* would be a new tendency towards the traditional German *Schaukelpolitik* (seesaw policy), i.e. an ambition to occupy a position of neutrality between Washington and Moscow. The Western Allies had been quite content with the traditional post-WW2 West German approach of firm integration into the West as part of the policy of double containment, of West Germany and the Soviet Union. They consequently initially viewed Brandt’s new attitude towards the East with strong scepticism:

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<sup>10</sup> *Regierungserklärung von Bundeskanzler Brandt im Deutschen Bundestag*, 28 October 1969, source: Archiv der Gegenwart

‘The Western Allies obviously found it hard to reach a positive attitude towards Bonn’s *Ostpolitik*. France showed a dislike right from the beginning, not only because of the approach towards the East but also because it turned France’s own role in Moscow into second-rate; and Washington considered its own leading role in the process of détente to be in danger, and lodged a complaint that Bonn would on the one hand inform but on the other hand not really consult – a racy inversion of Bonn’s permanent complaint in the security area’ (Hanrieder, 1991, p.235)

As a result of the concerns of the Western Allies, the Brandt/Scheel administration had to make sure not to overstep the mark and to act clearly within the Federal Republic’s *semi-sovereign* foreign policy constraints. The negotiations for the number of bilateral treaties with Warsaw Pact states had to be conducted in close consultation with the Allies. They had insisted that the final ratification of any of the bilateral treaties depended on an agreement between the West and the Soviet Union on improvements for the status of West Berlin. The bilateral treaties between West Germany and the Soviet Union (12/8/1970), Poland (7/12/1970), the GDR (21/12/1972) and the CSSR (11/12/1973) were therefore only ratified by the German Bundestag after the U.S., Britain, and France had found an agreement on the status of West Berlin in the *Berlin agreement* (3/9/1971)<sup>11</sup>, which improved living conditions for the inhabitants of West Berlin (Bingen, 1999). Especially the West German-Soviet bilateral treaty (*Moskauer Vertrag*) was a milestone in East-West relations. It formally accepted the abstinence from ‘the threat with force or the use of force’ (article 2), as well as the ‘invulnerability of the borders now and in the future’ under article 3 (Rauschnig, 1989, p. 122). The treaty hence paved the way for improved relations between the two German states, because article 3 included the formal acceptance of ‘the border between the Federal Republic and the GDR’ (ibid, p. 122). This could then be manifested further in the *Grundlagenvertrag* between West Germany and the GDR, in which the two German states pledged to ‘develop good neighbourly relations to one another on the basis of equal rights’ (article 1).

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<sup>11</sup> The Berlin agreement was reached in ‘4+0’ negotiations, which meant that no representatives from the two German states were involved. The decisions were basically reached by the four occupying powers.

Under article 4, West Germany formally abandoned its claim to be the sole representative of all German people, in which it was stated that 'none of the two states can represent the other internationally or act in the other's name' (Rauschnig, 1989, p.164).

Under pressure from the Western Allies, Bonn also had to clarify its stance in respect of the rights and responsibilities of the Allies with regard to the status of Germany.

In their note delivered to the West German government on August 11<sup>th</sup> 1970, the United States, the UK and France stressed that through the *Moskauer Vertrag* 'the rights and responsibilities of the four Allies with regard to Berlin and Germany as a whole (...) are not being affected and cannot be affected' (Rauschnig, 1989, p.124). The Federal government consequently had to express this position clearly in the negotiations with the Soviet Union. The final clarification was made in the letter sent by the West German government to the Soviet Foreign Minister Gromyko on August 12<sup>th</sup> 1970. In the *Brief zur deutschen Einheit*, the government stated that

'this treaty does not stand in contradiction to the political goal of the Federal Republic, to work towards a situation of peace in Europe, in which the German people regains its unity in a process of free self-determination.'

(Rauschnig, 1989, p.123)

The Soviet Union therefore had to realise that it dealt with a West German state of limited sovereignty which was in no position to give in to the maximum Soviet demands, which aimed at the final acceptance of the borders of the GDR (Griffith, 1981, p. 256). Bonn was able to set new trends with regard to the essential features of its foreign policy but it could not fundamentally change course on any issue which would fall under the rights and responsibilities of the Western Allies. The new *Ostpolitik* of the Brandt/Scheel administration hence remained firmly based on the post-WW2 preconditions of West German foreign policy. Neither the principle of multilateral integration into the West nor the long-term political goal of peaceful reunification of the two Germanys was therefore abandoned.

In spite of these reassurances, the negotiations for the various bilateral treaties were accompanied by fierce criticism from the CDU/CSU opposition, which in particular strongly opposed the government's new approach towards the GDR. The CDU/CSU accused the government of endangering the principle of *Westbindung* and of abandoning the principal goal of reunification of the two Germanys.

Especially from the point of view of the Bavarian CSU leader Franz Josef Strauss, the new *Ostpolitik* 'caused a dangerous euphoria for détente, which would misinterpret the dangerous character of the Soviet Union and the GDR' (Hacke, 1997, p.174 and p. 176). In response to a major parliamentary question by the CDU/CSU on the foreign policy and policy towards the other German state (November 11<sup>th</sup> 1971), the government made clear that it tried to improve the living conditions for the German people in both states without endangering the long-term political principle of unification:

'The political point of reference for the Federal government is the safeguarding of the unity of the nation through the most appropriate means. Under the present circumstances, the Federal government is convinced that it serves the safeguarding of the unity of the German people best through a settlement of its relationship with the GDR. Such a settlement can of course not bring an end to the division of Germany: but it can counteract a deepening of the division and therefore is beneficial for the German nation as a whole' (Rauschnig, 1989, p. 137)

Nevertheless, the CDU/CSU launched an appeal to the Federal High Court in order to clarify if the treaties with the Soviet Union and Poland would be in line with the West German *Grundgesetz*. In its decision on July 7<sup>th</sup> 1975, the Federal High Court ruled that the treaties would be in line with the German constitution because they would not affect 'bilateral and multilateral treaties und agreements, which had been signed by the parties to the treaty' (Rauschnig, 1989, p.141). This decision cleared the way for the integration of the *Ostpolitik* into the traditional post-war features of West German foreign policy. With its new conciliatory approach towards the East, the Bonn republic had managed to make an important step forward towards political maturity and international recognition. It had lead the way towards the overcoming of the political divide in Europe.

At the same time, it had proven that it would remain a reliable partner for its Western allies even when it took a more independent course. The initial worries of the Federal Republic's Western partners had not become reality: the leaders in Bonn developed the rapprochement towards the East strictly within the multilateral framework of Western integration. In the course of the 1970s, the principle of *Westbindung* had therefore been enhanced by reconciliation and co-operation with the East (Webber, 2001, p.3). The Federal Republic had consequently become a driving force for post-war reconciliation in Europe, working closely both with its former adversaries in the West and the East and proving that its main ambition was to reconcile rather than to establish a new German sphere of influence:

‘ *Ostpolitik*, (...) made possible a process of rapprochement with the Central and East Europeans and helped to assure them that Germany – and the Germans had changed (...) Only with the *Ostpolitik* of Brandt and Scheel did the BRD seek to define and pursue its own distinctive foreign policy interests. Even then, German *Ostpolitik* was firmly anchored within the framework of the Atlantic Alliance, European Political Co-operation (EPC) and the CSCE (Conference on Security and Co-operation in Europe’ (Hyde-Price, 2000, p. 105 and 109)

After the rejection of Schumacher's ambitions towards neutrality by Adenauer in the 1950s, the *Ostpolitik* of the Brandt/Scheel administration consequently became the ‘second fundamental decision’ (Pfetsch, 1993, p. 186) in the Federal Republic's post-war foreign policy. Because the *Ostpolitik* did not abandon the principle of *Westbindung* but did build on it, it became the optimal combination which would allow the Federal Republic to pursue its main interests in Europe, namely ‘(...) economic prosperity, securing peace, international respect and recognition, integration of the Germans and commitment of the partners towards the goal of unification (...)’ (Glaab et al, 1998, p. 169-170). Especially in terms of economic development, the combination of *Westbindung* and *Ostpolitik* contributed strongly to West German prosperity.

The safe embedment into the economic and security framework of the West and the increasing co-operation with countries in Eastern Europe allowed West Germany to become the biggest export nation in Europe<sup>12</sup>.

In spite of the fundamental opposition of the CDU/CSU against the *Ostpolitik* during the 1970s<sup>13</sup>, it still continued to pursue the essential features of the policy developed under the successive SPD/FDP administrations of Brandt/Scheel (1969-74) and Schmidt/Genscher (1974-82) when it returned to power in 1982. Just as the SPD had abandoned its opposition to Adenauer's policy of *Westbindung* in the Godesberg program of 1959<sup>14</sup>, did the new CDU chancellor Helmut Kohl continue with the policy of co-operation with the East that had been established in the 1970s. West German foreign policy was therefore generally characterised by a continuity and reliability which did not depend on the government of the day (Krause, 2001, p. 160; Schwarz, 1999, p. 2). The essential features of West German foreign policy, extensive *multilateralism*, *role model Europeanness* and a preventive *civilian power* approach with regard to crisis management remained part of the foreign policy consensus of the Bonn republic. As could be seen during the development of the *Ostpolitik*, West German leaders did not try to challenge the *semi-sovereign* status of their foreign policy and rather tried to use the integration into the multilateral frameworks of NATO and the EC in order to exercise a *soft power* influence (Bulmer, 1997, p.51):

West Germany did therefore influence the development of European integration profoundly, but it did so in a non-obvious way within multilateral proceedings. The Bonn republic avoided to play the traditional game of *power politics*, and instead tried to work towards the reshaping of the multilateral framework of the EC in order to make it more adaptable to German interests. The Federal Republic's main ambitions within the EC lay therefore in

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<sup>12</sup> West German exports into Central and Eastern Europe increased sharply during the 1970s (see Griffith, 1981, pp. 280-282).

<sup>13</sup> For a detailed account of the approach of the CDU/CSU towards the GDR and the Warsaw Pact countries see Hacke, 1975.

<sup>14</sup> The change in the SPD's stance was set out by Herbert Wehner in his speech on the essential political strategy of the SPD in the *Bundestag* on 30 June 1960 (Hanrieder, 1991, p. 406).

‘strengthening the broader framework of European multilateralism and Germany’s self-defined role within it; and creating a supportive external environment within which the German domestic model of political economy could flourish’ (Anderson, 1997, p.82)

Because West Germany was not a fully sovereign state and was still constrained by the rights of the occupying powers, ‘the choice in favour of ceding important powers to regional or international organisation was easier for Bonn than for other large European states’ (Webber, 2001, p. 4). For West German leaders it was hence a normal process to exercise joint, rather than unilateral leadership and to present German initiatives as multilateral ones. Nevertheless, on a number of occasions, the Bonn republic did take the lead, although it tried to conceal it under the mask of multilateralism. Apart from the obvious example of the development of the *Ostpolitik* in the 1970s, especially under the leadership of Brandt’s successor as Chancellor, Helmut Schmidt, West German foreign policy became more self-confident.

Schmidt found the right balance between the promotion of German self-interests and the compliance with the constraints of the *semi-sovereign* status. He avoided any unilateral moves but focused on the Franco-German alliance as a means to exercise West German influence (Bulmer, Jeffery and Paterson, 2000, p.56). Schmidt not only developed the idea for the creation of a European Monetary System (EMS) in 1978 (against the will of the German Bundesbank). He also helped to initiate the G7 world economic summits (Schmidt, 1990, p. 198-201) and the controversial NATO dual track decision of 1979<sup>15</sup>. Schmidt’s close personal friendship with French president Valéry Giscard d’Estaing was based on mutual trust and allowed Bonn to exercise more influence in Europe than it had ever done before.

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<sup>15</sup> After it had become obvious that the Soviet Union had begun to station a new generation of SS-20 short-range missiles in Eastern Europe in the course of the 1970s, Schmidt managed to push the reluctant U.S. administration of Jimmy Carter towards a Western response. After his speech in London on October 28<sup>th</sup> 1977, in which he had warned about the dangers of the SS-20 missiles for Western Europe, Schmidt and his American, British and French counterparts met in Gouadeloupe in January 1979. At the meeting, it was decided to begin with the deployment of a new generation of Pershing missiles in Western Europe by 1983, if the Soviet Union would not have withdrawn the SS-20s by then. (Schmidt, 1987, p. 230-235).

In this respect, Christian Hacke notes that Schmidt's European diplomacy increased West-Germany's self-perception as an increasingly respected partner in Europe:

'Schmidt's manner, partly in co-operation with Giscard d'Estaing during times of tension in the relations between East and West, illustrated self-confident European and West German presence of *détente*. This also had an effect on the self-confidence of the West Germans.' (Hacke, 1997, p. 343).

Especially the establishment of the EMS became a very important economic power asset for the Bonn republic as it was based on the power of a strong *Deutsche Mark*. Under the regulations of the EMS, all participating currencies had to join an Exchange Rate Mechanism (ERM) and were only allowed to deviate from the anchor currency ECU within a fixed limit. Because the *Deutsche Mark* was the strongest currency within the EMS, the participating countries became strongly dependent on the interest policies of the German Bundesbank<sup>16</sup>. The EMS therefore 'demonstrated unambiguously *de facto* German economic primacy in Europe' (Cole, 2001, p.92). In this respect it is interesting to note that the institutional complexity of the Federal Republic led to the occurrence of a particularity: due to its autonomy from political influence, the German Bundesbank was powerful enough to exercise a shadow 'Frankfurt European policy' (Bulmer, Jeffery and Paterson, 2000, p. 15) in monetary terms, which has always been orientated on the principle of *monetary stability*. The Bundesbank has hence traditionally been far bolder in the obvious defence of German economic interests than the Federal government. The West German political leaders had always been reluctant to openly defend German economic interests in Europe and had rather chosen to secure them through *multilateral soft power* influence<sup>17</sup>. The Bundesbank, on the other hand, secured strong German economic influence in Europe through its rigorous interest rate policy, aimed at a strong *Deutsche Mark*.

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<sup>16</sup> This became especially apparent during 'Black Wednesday' on September 16<sup>th</sup> 1992, when the British pound and the Italian lira were forced out of the ERM due to the high interest rate policy of the German Bundesbank in the wake of German reunification (Bulmer, 1997, p. 70).

<sup>17</sup> A number of analysts have argued that the acceptance of West German economic dominance of Europe had been based on the success of the economic model of *Rhineland capitalism*, which was widely accepted by Bonn's Western partners (Jeffery and Paterson, 2000, p. 18).

The Bonn republic's European policy was therefore characterised by

‘two actors: the Bundesbank, the role of which was to take decisions according to national parameters – decisions which affected other countries and which they perceived negatively – and the government, which had to take decisions fitting broader interests and soothe these countries (...) Germany's political authorities did so in order to keep the system functioning, a system which benefited Germany.’ (Le Gloannec, 2001, p. 124)

With the strong support of the German Bundesbank, the *Deutsche Mark* therefore became the major power asset for the Bonn republic which was economically the strongest force in Europe, but rather weak politically and firmly dependant on multilateral agreements. Willy Brandt's famous characterisation of the Federal Republic as ‘an economic giant and political dwarf’ (Hyde-Price, 2000, p.112) is therefore more than accurate. The leaders tacitly accepted their country's economic predominance in Europe, and tried to even it out through an exaggerated political tendency towards multilateral decision-making and *good Europeaness*. West German economic power was consequently principally embedded in the European context and presented as being beneficial to the development of European integration, such as in the case of the EMS. As a result, a strong link between the Federal Republic's domestic institutions and the level of the European Community was established, which led to the development of two institutional structures with many similarities. As Simon Bulmer notes, the political system of the Federal Republic and the EU share a tendency towards co-operation between the higher and lower levels:

‘The principal structural characteristic of European integration is its co-operative (con-)federalist nature: the upper (European Union) tier has relatively few exclusive competences but many policy areas entail co-operation between the two levels of the system. Thus it is much more in line with the characteristics of German federalism than with the greater insulation between the federal and state levels of government that characterises the U.S. model of federalism’ (Bulmer, 1997, p.54)

In the political system of the Federal Republic the federal government is obliged to interact with the *Bundestag*, the Länder representatives in the *Bundesrat*, and is under the scrutiny of the Federal Constitutional Court (*Bundesverfassungsgericht*). Moreover, because absolute majorities are rare under the German electoral system of *personalised proportionality* (Rudzio, 1996, pp. 183-189) coalition governments are the norm, which includes the need for constant compromise and can lead to the fragmentation of political positions within the government (Bulmer, Maurer and Paterson, 2001, p. 180).

The structure of the political system of the Federal Republic is therefore characterised by *decentralisation*, which includes that 'the necessity to take positions and achieve results under intense time pressure also promotes the creation of informal contacts and forms of co-operation' (Hoyer, 2001, p.89)

Because they are used to a system in which consensual governance is the dominant principle, German political actors have consequently found it traditionally easy to operate on the European level. Although the EU cannot be characterised as a state, its political system bears many resemblances to the state structure of the Federal Republic. This is mainly due to the fact that the post-war development of European integration has been driven by the alliance between France and Germany. Both countries have therefore transferred a number of their domestic state characteristics to the European level. This process of 'externalisation' of domestic state structures also applies to Germany, which over the years has managed to 'externalise' a number of its own state characteristics to the community level (Bulmer, Jeffery and Paterson, 2000, pp. 40-46). The community level was for this reason never considered to be a 'foreign land' for German political actors, which encouraged the process of the *Europeanisation* of German identity even more:

'Despite differences in historical origin, the similarity between European and German institutions and practices (such as multilevel governance systems, subsidiarity, an activist court, and an autonomous central bank) creates a milieu in which German political actors can feel at home. This provides a strong anchor for Germany in Europe' (Katzenstein, 1997, p. 40)

It was this close entanglement between the domestic and the supranational European level which made it easy for the Bonn republic to develop the irrevocable link between its own identity and the ideal of European integration. Because West German leaders were pretending to act solely in the interest of Europe as a whole, 'Germany chose to speak and act "in Europe's name"' (Hyde-Price, 2000, p.124).

The problem with this approach was that the Bonn republic officially denied the existence of national interests and equated them with the European interest. At the same time, Bonn did still secure its interests by exercising multilateral *soft power* (and *hard power* such as in the case of the *Bundesbank*).

The Federal Republic therefore constantly struggled to justify the equation of the national and the European, an approach which had always seemed to be rather artificial and unreal, even for a *semi-sovereign* state like West Germany:

'A European interest is – apart from the maxims, which can be derived from the "objective" factors – just as little determined like the national interest of a state. It has to be decided in competition between the national interests, actually by compromise, in which the real distribution of power is usually reflected'  
(Link, 2001, p. 562)

The discussion about a possible redefinition of the Federal Republic's foreign policy approach had therefore already begun before 1989/90. This was mainly due to the fact that West Germany's economic weight increased to an extent which made the traditional policy of understatement which had been exercised by the political class in Bonn seem increasingly dishonest. Christian Hacke, one of the most outspoken critics of the exaggerated self-denial of the national in the Bonn republic stresses the weaknesses of the pre-1989 *Musterschüler* approach by adapting Max Weber's concept of the 'ethic of responsibility':

'What the foreign policy of the Federal Republic neglected, was the link between power politics and responsibility.

Power politics, which is characterised by an ethic of responsibility and tries to prevent the irresponsible policy of violence exercised by un- or anti-democratic states, did not have a status in the public opinion. Patriotism and the feeling for national vigilance were underdeveloped' (Hacke, 1997, p.350).

The legacy the West German Federal Republic bequeathed to the unified Germany was therefore one which had suited its *semi-sovereign* status before 1990. The policy of *European multilateralism* and the *civilian power* attitude rebuilt West Germany's post-war reputation on the international stage and allowed the country to pursue its economic interests without raising cause for concern among its neighbours. The combination of *Westbindung* and *Ostpolitik* provided the right mixture for West German economic prosperity as it combined the important export market of the EC with new markets in the East. The Bonn republic consequently emerged as an 'economic giant and a political dwarf' but with regard to the continuation of the pre-1989 occupational rights of the Western Allies, West Germany had achieved the maximum room for political manoeuvre that had been possible at the time.

## **1.2. Internal and external changes after reunification**

The fall of the iron curtain in 1989/90, by which Europe had been divided for more than forty years, brought an end to the abnormal post-war situation in which the German nation had to live in two opposing states. The CDU/CSU-FDP coalition led by Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher had seized the momentum of history, and thus managed to achieve the reunification of the two Germanys in a process of prudent multilateral diplomacy with the partners in East and West. The diplomatic process which led to German reunification was a masterly application of the relations that had been established during the combination of *Westbindung* and *Ostpolitik* in the latter 20 years of the West German Federal Republic. Now it became clear that the bilateral rapprochement with the Soviet Union, which was based on the *Moskauer Vertrag* of 1970, would bear fruit.

The negotiations with the reformist Soviet general secretary Mikhail Gorbachev were based on an atmosphere of mutual trust. They were made easier by the fact that Gorbachev had abandoned the Soviet foreign policy principle of *legitimate intervention* into the internal affairs of any of the Soviet Union's satellite states in Central and Eastern Europe, as it had been set out in the *Brezhnev doctrine*<sup>18</sup>. Gorbachev abandoned the doctrine and replaced it by the principle of *freedom of choice*, which he had announced during his famous speech at the United Nations in December 1988<sup>19</sup>.

This new liberal orientation in Soviet foreign policy did not actively encourage the changes that were to happen in Central and Eastern Europe in 1989/90 but it provided a new basis for the relations between them and the Soviet Union. For the question of German reunification, which had seemed to be unachievable during the pre-Gorbachev era, the new orientation in Soviet foreign policy thinking had been crucial. The East German GDR leadership under Erich Honecker had categorically refused to follow any of Gorbachev's social and economic reforms and now had to pay the price. Under the principle of the *freedom of choice*, the Soviet leadership was no longer ready to defend the GDR through military intervention against the growing uneasiness amongst its population, which was longing for reforms.

Because of the unwillingness of the GDR leadership to follow Moscow's new direction, the Soviet leadership had increasingly warmed to the idea that German reunification might become inevitable if the German people would want it. While before 1989, Gorbachev had stuck to the traditional Soviet view that the existence of two German states was an irrevocable fact of post-WW2 history, his views changed in the course of the developments of 1989.

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<sup>18</sup> In 1968, the then general secretary of the Soviet politburo, Leonid Brezhnev had tried to legitimize the Soviet military intervention in the CSSR during the *Prague spring* by claiming that it was the duty of the Soviet Union to interfere, if any of the countries of the Soviet bloc adopts a 'nonaffiliated stand'. This would be the duty of 'the Soviet Union as a central force, which also includes the might of its armed forces', source: [www.cnn.com/SPECIALS/cold.war/episodes/14/documents/doctrine](http://www.cnn.com/SPECIALS/cold.war/episodes/14/documents/doctrine).

<sup>19</sup> In the speech, Gorbachev states that 'Freedom of choice is a universal principle to which there should be no exceptions'. (see address by Mikhail Gorbachev to the 43<sup>rd</sup> U.N. General Assembly Session, 7 December 1988, [www.cnn.com/SPECIALS/cold.war/episodes/23/documents/gorbachev](http://www.cnn.com/SPECIALS/cold.war/episodes/23/documents/gorbachev)).

The West German-Soviet declaration signed on the occasion of Gorbachev's visit to Bonn in June 1989, explicitly stated that 'each state has the right to choose its own political and social system freely'<sup>20</sup>.

When his final attempts to push Honecker towards reforms failed during his visit in East Berlin on the occasion of the 40<sup>th</sup> anniversary of the GDR, Gorbachev confirmed his reluctance to artificially stabilise the GDR by stating 'who comes too late is punished by life' (Diehl, 1993, p. 23). When the breakdown of the socialist regime in East Germany seemed inevitable in the course of the mass demonstrations and flights in summer/autumn 1989, Kohl and Genscher managed to achieve the final step towards reunification. During their visit in Moscow between February 10<sup>th</sup> and 11<sup>th</sup> 1990, the West German leaders received the Gorbachev's official assurance that Soviet Union would accept German reunification. While this step alone was already remarkable, it was almost sensational that the Soviet leadership had now even given up their traditional principle that a unified Germany would have to be neutral in political and military terms:

'Gorbachev emphasised – and the Chancellor agreed – that there would be no differences of opinion between the USSR and the FRG with regard to the fact that the Germans have to solve the question of the unity of the German nation by themselves and that they have to make their own choice with regard to the state structures, the timing, the speed and the conditions under which they will realise this unity'<sup>21</sup>

One of the main reasons why the Soviet Union allowed German unification under such generous conditions was that the relations between the Federal Republic and the Soviet Union developed under the *Ostpolitik*, had become extremely valuable for the latter.

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<sup>20</sup> *West German-Soviet declaration signed by Chancellor Kohl and Soviet leader Gorbachev*, Bonn, 13 June 1989, source: Europa-Archiv, 13, 1989, pp. D 384.

<sup>21</sup> *Kommuniqué über das Treffen zwischen Gorbachev und Kohl*, 10 February 1990, source: *Europa-Archiv*, 8, 1990, pp. D192.

Moscow consequently avoided the blockade of an almost inevitable process of German reunification, because it did not want to

‘put at risk the relations with a Germany, which would turn into Western Europe’s most powerful economy, as well as an indispensable partner for Russia’s economic recovery and for a fundamental restructuring of the relations with Western Europe’ (Kaiser, 1993b, p.112)

The Kohl administration made prudent use of the favourable circumstances of history and used the positive Soviet attitude towards reunification in order to initiate a diplomatic process which stood in the West German tradition of *multilateral* cooperation<sup>22</sup>. By irrevocably linking the process of unification with a commitment towards the further deepening of political and economic integration, the West German government achieved German unification under the most favourable terms.

Although the idea of German reunification had been a cause of concern for Germany’s Western partners, particularly Britain and France<sup>23</sup>, the Kohl administration managed to initiate 2+4 negotiations between the two German states and the Allies (Soviet Union, United States, Britain and France). It had been crucial for Germany that it had the strong backing of the United States with regard to the aspirations to regain its full sovereignty. Whereas Britain and France had initially been tempted to hold on to some of their occupational rights, ‘right from the beginning, Washington pleaded for the respect of the German people’s right for self-determination and strictly refused any long-term discrimination of Germany’ (Hacker, 1995, p.97).

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<sup>22</sup> Karl Kaiser praises the leadership skills of Kohl and Genscher during the negotiations for the reunification process, who co-operated to find the right balance between ‘a sharp feeling for strategic opportunities and resolute action at the right moment.’ (Kaiser, 1993a, p.22)

<sup>23</sup> Both for French president Mitterand but even more so for the British Prime Minister Thatcher, the division of Germany into two states had been a safeguard for peace and stability in Europe. While Mitterand gave up his initial scepticism towards German unification after reassurances from Chancellor Kohl (Kaiser, 1993b, pp. 110-111). Thatcher still considers it to be one of the great mistakes of history which was ‘destabilizing an already unsettling continent’ (Thatcher, 1993, p.814).

The outcome of the 2+4 negotiations, settled in the *2+4 Treaty* signed on September 12<sup>th</sup> 1990 could not have been more favourable for the united Germany. The *2+4 Treaty* gave Germany the full sovereignty over its internal and external affairs, which brought an end to the limitations set out on the *Deutschlandvertrag* of 1952. It was the substitute for an official peace treaty between the WW2 Allies which was never signed and therefore had left the final status of Germany as a whole undecided.

In the *2+4 Treaty*, the former WW2 Allies had finally agreed to abandon their rights and responsibilities with regard to Berlin and Germany as a whole,

‘in recognition of the fact that (...) with the unification of Germany as a democratic and peaceful state the rights and responsibilities of the Four Powers with regard to Berlin and Germany as a whole lose their meaning’<sup>24</sup>.

Moreover, as had been made possible due to the change in the Soviet stance, the united Germany was granted ‘the right to be part of alliances with all rights and responsibilities involved’<sup>25</sup>. These major concessions on the part of the Allies were linked to the German obligation to accept the finality of its borders and to sign a treaty under international law with Poland in order to confirm the German-Polish border:

‘(1) (...)The confirmation of the final character of the borders of the united Germany is a fundamental part of the peace framework in Europe.

(2) The united Germany and the Republic of Poland confirm the existing border between them in a treaty under international law.’<sup>26</sup>

The *German-Polish border treaty* signed on November 14<sup>th</sup> 1990 fulfilled the obligations of the *2+4 Treaty* through the commitment of the two parties to the treaty ‘that the existing border between them remains inviolable now and in the future’.<sup>27</sup>

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<sup>24</sup> *Vertrag über die abschließende Regelung in bezug auf Deutschland (2+4-Vertrag)*, preamble, 12 September 1990, source: Europa-Archiv, 19, 1990, pp. D 509-514.

<sup>25</sup> *Ibid*, article 6.

<sup>26</sup> *2+4 Treaty*, article 1, paragraph 1 and 2.

<sup>27</sup> *Vertrag zwischen der Bundesrepublik Deutschland und der Republik Polen über die Bestätigung der zwischen ihnen bestehenden Grenze*, 14 November 1990, source: Bulletin des Presse- und Informationsamtes der Bundesregierung, 16 November 1990, 134, p. 1394)

The Allies had insisted on the obligation for the united Germany to accept the finality of its borders under international law in order to prevent a more powerful Germany to raise any territorial claims against its immediate neighbours in the East at some point in the future. The possible re-emergence of German expansionism towards the East was therefore prevented by law and this also prevented any possible revisionist debate which could have been exploited politically by the far right in Germany.

The 2+4 Treaty had, at least officially, turned the united Germany into a 'normal' state. With the end of the rights and responsibilities of the Western Allies, the new Germany, which was formally united on October 3<sup>rd</sup> 1990, regained full control over its internal and external affairs, including membership of international alliances.

As a result, the territory of the former GDR became part of NATO, when it officially acceded to the Federal Republic on October 3<sup>rd</sup> 1990. The former Warsaw Pact troops of the East German *NVA (Nationale Volksarmee)* were subsequently included into the *Bundeswehr*'s contingent.

The only limitations were that the united Germany would not be allowed to exceed the number of 370,000 men (including conventional, airborne, and naval troops) and Germany could not possess any chemical or nuclear weapons<sup>28</sup>. Moreover, until all Soviet troops had been withdrawn by the end of 1994, only conventional troops which were not integrated into the structure of NATO would be allowed to be stationed on the territory of the former GDR<sup>29</sup>.

Contrary to all pre-1989/90 speculations about the possible conditions under which the two Germanys might one day be reunified, the fully sovereign united Germany was not forced into neutrality, but could maintain its principal pre-unification of firm integration into the West. Because the reunification process had not altered any of the conditions of the membership in international alliances which had been entered by the West German Federal Republic, the essential foreign policy features of the unified Germany continued along the lines of the Bonn republic.

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<sup>28</sup> *2+4 Treaty*, article 3, paragraph 1 and 2.

<sup>29</sup> *Ibid*, article 5, paragraph 1.

It was clear from the outset that a larger Germany with a territory inhabited by over 80 million people, situated in the heart of Europe, had not only grown in size but would in the long term also become more important in economic as well as in political terms. However, the immediate post-unification situation had brought less changes than expected.

The united Germany remained part of the two pillars of *Westbindung*, NATO, and the European Community, and had proven during the unification process that it was still pursuing an essentially *multilateral* foreign policy. The immediate post-unification emphasis of the German political class was therefore characterised by continuity, an attitude which was also shared by the majority of the people in the West:

‘West Germans could hardly deny that unification would result in a larger and more populous country, but they resisted, in both word and deed, the notion that unity would represent a break with their postwar trajectory.’

(Anderson, 1999, p. 37)

The Kohl/Genscher administration, which had been overwhelmingly re-elected in the first post-unification general election in December 1990, tried to calm the fears among Germany’s neighbours about a possible re-nationalisation of German foreign policy by exercising a policy of *Selbsteinbindung* (self-integration) (Bulmer, Jeffery and Paterson, 2000, p.1; Paulsen, 1999, p. 541). The government stressed that the foreign policy of the unified Germany would be built on the foreign policy legacy of the Bonn republic. This was represented by the continued firm integration into the multilateral frameworks of the EC and NATO, the *civilian power* ambition to work towards the establishment of world peace, and the further deepening of European integration as the main national interest of German foreign policy.

In his message to all governments worldwide on the occasion of German reunification on October 3<sup>rd</sup> 1990, Chancellor Kohl stressed that, based on the continuity of its traditional multilateral post-war approach of the Bonn republic, the unified Germany would work towards the deepening of European integration and global peace:

‘Our country wants to use its regained national unity in order to serve world peace and to advance European integration: This is the task of the Basic Law, our well-established constitution, which is also in force for the united Germany (...) We know that through reunification we also take on greater responsibility in the community of nations in general. Our foreign policy therefore remains orientated towards worldwide partnership, close co-operation and peaceful balancing out of interests.’<sup>30</sup>

The Bonn republic had already tried to act accordingly to the status of a role model European in order to rebuild the country’s post-war international reputation. In order to maintain that standing in the aftermath of unification, the larger Germany had to commit itself to the deepening of European integration as a symbol for its willingness to limit its own power.

The obvious sensible German reaction to fears abroad about the re-emergence of German dominance in Europe was hence to ‘respond to these fears by advancing proposals to anchor Germany in a more deeply integrated Europe and to devote even more attention to its partners’ (Bulmer, Jeffery and Paterson, 2000, p. 54).

The Kohl/Genscher administration was thus more than willing to follow French calls for the deepening of European political and economic integration in the wake of German reunification. France had maintained its fears about the effects of German unification for Europe. The French leadership under Mitterand had only reluctantly consented to German unification as an inevitable process of history. It therefore expected that the unified Germany would prove its commitment to multilateralism and its refusal of unilateral hegemonial aspirations by integrating itself into an even deeper European framework:

‘From Mitterand’s point of view, the foreseeable end of the division of Germany and the end of the split between Europe could lead to the re-emergence of the old Europe and with it to the old risks for France.

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<sup>30</sup> *Botschaft des Bundeskanzlers der Bundesrepublik Deutschland, Helmut Kohl, zum Tag der Deutschen Einheit an alle Regierungen der Welt*, 3 October 1990, source: Europa-Archiv, 21, 1990, pp. D 540-543.

The French policy countered it through a strategy of the forced deepening of European integration and the demand of evidence for the willingness to integrate from the German part, in order to put aside the option that the Federal Republic could paralyse European integration or even sever its links.’ (Janning, 1999, p. 347)

The negotiation process in Maastricht in December 1991, which led to the signing of the Treaty of the European Union in February 1992, consequently became a joint Franco-German initiative to push forward European integration. The result was an enhanced political and economic European framework, which had brought European integration to a deeper level than ever before since the Second World War. At Maastricht, the Kohl administration had made the fundamental step of committing itself to the realisation of Economic and Monetary Union by 1999.

In order to calm French fears about the misuse of Germany’s post-unification economic power, Kohl had therefore agreed to communitise the main German power asset, the *Deutsche Mark*:

‘In this perspective the Maastricht Treaty and especially Monetary Union were perceived as the proper means to communitise the German Mark as the most important power assets of Germany for building a hegemonic position. Some even referred to this Maastricht Treaty as a new “Treaty of Versailles”.’ (Wessels, 2001, p. 110)

To a certain extent, Maastricht and EMU were therefore definitely a major sacrifice for Germany because they irrevocably linked the fate of the German economy with that of the rest of Europe and especially with that of France (Guérot, Stark and Defarges, 1998, p. 132). With it, the influence of the German Bundesbank in Europe would come to an end and Germany would have to accept to align its economic policy with the conditions set by the European Central Bank (ECB). The wide-ranging, complicated regulations of the Maastricht Treaty and especially the implications of EMU consequently led to an intense domestic debate in Germany. Contrary to previous agreements towards the deepening of European integration, the pro-integrationist consensus in Germany seemed to break down after Maastricht.

The treaty can therefore be seen as a turning point in Germany's European policy as it marked the end of the quasi-automatic German consent to integrationist steps, even if they were considered to be against the German national interest.

Ratification of the treaty proved to be extremely difficult for the Kohl government, as it had to face a debate in the public and the media<sup>31</sup>, which was then mirrored in the discussions in the *Bundestag*:

'Reactions to the Maastricht agreement in Germany was decidedly cool – critics accused the government of giving away too much on EMU in exchange for too little on political union. Public unease, reflected in opinion polls, was fed by the German press; the day after the conclusion of the Maastricht summit, many German newspapers printed screaming headlines that trumpeted the imminent demise of the D-Mark.' (Anderson, 1999, p. 47)

The paradox result of these domestic discussions was that the European *Musterschüler* Germany now seemed to have increasing problems to submit his homework on time: Although a number of EU member states found it difficult to come to a domestic acceptance of the Maastricht treaty<sup>32</sup>, Germany was the last member state to ratify the treaty on October 12<sup>th</sup> 1993, two years later than had been originally intended (Jung, 1997, p. 334-335). The domestic debate about the constitutional implications of Maastricht and EMU had led to a decision by the Federal Constitutional Court in 1993 on the right of the Federal government to transfer powers to a supranational authority, such as the European Union, provided that the Bundestag and the Länder would be consulted accordingly (Anderson, 1999, p.45). As a result, article 23 of the *Grundgesetz* was altered in order to clarify the proceedings with regard to the transfer of national sovereignty to the supranational level.

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<sup>31</sup> Even in traditionally pro-European Germany, the Maastricht treaty was widely seen as a bureaucratic monstrosity which led to growing scepticism amongst the German public about the direction European integration had taken (George 1996, p.103 and Glaab, 1999, pp. 603-607).

<sup>32</sup> In contrast to Germany, a number of EU member states held a public referendum on Maastricht. The treaty was initially rejected in the Danish referendum and found only a slight majority in France (Jung, 1997, p.334)

The new article 23 GG stressed the joint responsibilities of the *Bundestag* and the *Länder* in the process, which on principle would have to be consulted by the Federal government:

‘(1) (...) The Federal government can transfer sovereign powers by law with the consent of the Bundesrat (...)

(2) In matters concerning the European Union, the Bundestag and, through the Bundesrat, the Länder, participate. The Federal government has to fully inform the Bundestag and the Bundesrat at the earliest possible opportunity.’<sup>33</sup>

Since Maastricht, the European policy-making of the Federal Republic has consequently become much more complex as both the rights of the *Bundestag* and *Bundesrat*, in which the German Länder are represented, have been strengthened under the new article 23 GG. A two-thirds majority in the *Bundestag* is necessary in order to ratify amendments of EU treaties which affect the German constitution. This in effect ‘means that all essential progress in the direction and creation of a European Political Union will in the future have to find cross-party support’ (Krause, 2001, p. 162). In order to take its new responsibilities into account the Bundestag has created an EU Committee, which is basically responsible for the decision-making of the *Bundestag* with regard to European policy. Due to the requirement of a two-thirds majority in the *Bundestag* on fundamental European policy decisions, the Federal government is obliged to work closely with the committee. As a result, it has to take into account its opinions and statements on European issues and also has to present them at Intergovernmental Conferences (IGCs) in order ‘to ensure parliamentary consent in ratification proceedings’ (Hoyer, 2001, p.96).

At the same time, under the regulations of article 23 GG the Länder have increased their scope of action and have occasionally established a ‘parallel foreign policy’ (Knodt, 2001, p.173) with regard to matters concerning the European Union.

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<sup>33</sup> *Grundgesetz für die Bundesrepublik Deutschland*, article 23, paragraph 1 and 2, source: [www.bundesregierung.de/downloads/GG.pdf](http://www.bundesregierung.de/downloads/GG.pdf)

Already having been designed as strong regional entities because they own *semi-state* structures with a written constitution (Maunz and Zippelius, 1998, p. 103), their rights of representation have been strengthened substantially under article 23 GG, because it is much easier for them to articulate their interests on the EU level. Article 23, paragraph 5 states that the opinion of the *Länder* has to be substantially included into the Federal Republic's official statement on EU matters, if mainly their rights and responsibilities are affected by the matter. Paragraph 6 even gives them the right to officially represent the Federal Republic on the EU level on matters, which mainly affect legislative areas of the *Länder*<sup>34</sup>. Moreover, the *Länder* not only send their official representatives to the Committee of the Regions<sup>35</sup>, in which the regional entities are represented on the EU level, they are also officially represented in the official German delegations to the Council and the Commission (Knodt, 2001, p.177). A direct representation of the *Länder* is above all secured through their permanent representation offices in Brussels, which has become one of the main means of bilateral bargaining on EU issues for each *Länder* government (Hoyer, 2001, p. 98). The domestic changes brought about by the Maastricht treaty have thus substantially fragmented German European policy-making, a change which in terms of the *Länder* is especially

‘characterised by the fact that the *Länder* do not limit their international activities solely to the opportunities found within co-operative federalism but rather develop their own channels of external representation and contact, channels which vary from policy area to policy area’ (Knodt, 2001, p. 183)

These changes have made it far more difficult for the Federal government to find a swift domestic consensus on their official European policy-making, as an increasing number of domestic voices have to be heard and taken into account, before an agreement can be found. The increased domestic diversity of post-Maastricht German European policy-making has therefore made it ‘much more difficult, even impossible, for the German government to satisfy domestic constituencies with traditional policy priorities and a self-effacing department in Brussels’ (Anderson, 1999, p. 209).

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<sup>34</sup> *Grundgesetz*, article 23, paragraph 5 and 6, source: [www.bundesregierung.de/downloads/GG.pdf](http://www.bundesregierung.de/downloads/GG.pdf).

<sup>35</sup> For a discussion of the involvement of the German *Länder* in first working period of the *Committee of the Regions*, see Degen, 1998, pp.103/

This new fragmentation of domestic opinions has been accompanied by a change in attitude towards the process of European integration after Maastricht. With the enormous post-unification costs for the economic stabilisation of the East German *Länder*<sup>36</sup>, Germany became increasingly uneasy about its status as the main net contributor within the EU. While Germany had traditionally accepted the high financial costs of European integration for the sake of the political gain of its role as the role model European, Maastricht marked a turning point in this respect. The growing shortage of public funds due to the financial burdens of unification hence caused the fundamentally pro-European Kohl administration to reconsider its position.

The debate about Germany's *Nettozahler* (net contributor) status in the EU hence became a 'normal' part of German European policy in the 1990s (Jeffery and Paterson, 2000, p. 33). The Maastricht treaty had obviously asked too much from the Germans by not only determining the foreseeable abolition of their beloved *Deutsche Mark*, but by also enhancing the *acquis communautaire* of the EU on the basis of a continuing rise of the EU budget<sup>37</sup>. This was strongly reflected in German public opinion. Not only did the majority of Germans remain largely sceptical about EMU<sup>38</sup>, there was also an increasing weariness about the supposed inability of the German political leaders to represent German national interest in a politically and economically deepened EU<sup>39</sup>.

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<sup>36</sup> Peter Katzenstein notes the gap between Germany's post-unification economic performance and the rising burden of its contributions to the EU budget: 'While unification has made Germany drop from the second to the seventh rank in the per capita income of the EU members, its net contribution has increased from DM 10.5 billion in 1987 to DM 22.0 billion in 1992' (Katzenstein, 1997, p. 27). See also Anderson, 1997, p.51.

<sup>37</sup> The Delors Commission II budget proposals in the aftermath of the Maastricht treaty proposed a rise in the budget ceiling from 1.2 to 1.37 % of the community's GDP (Laffan and Shackleton, 2000, p.221-224)

<sup>38</sup> Public opinion in the first half of the 1990s showed a persistent trend in German public opinion against EMU and the abolition of the *Deutsche Mark* (Glaab et al, 1998, pp. 184-188). Scepticism towards the Euro was especially strong in the East German *Länder* (Noelle-Neumann and Petersen, 1999, p. 595-598).

<sup>39</sup> Between 1992 and 1997, a growing number of Germans supported a slower pace with regard to the deepening of European integration (Noelle-Neumann and Petersen, 1999, p. 594-595).

Such a change in the public perceptions towards European integration could not leave the stance of the German political leaders unaffected. German financial and economic interest therefore moved increasingly to the forefront in Germany's post-Maastricht European policy and ended the pre-unification acceptance of the German chequebook policy:

'Up to and including the Maastricht Treaty, integration advanced on the basis of an implicit formula: in exchange for the invisible economic benefits provided by the internal market and the opportunity to reaffirm its innate multilateral credentials, Germany agreed to underwrite regional integration and to wield its influence unobtrusively. Unification rocked the foundations of this cosy arrangement (...) Germany's European policies after 1989 continue to be driven by concerns about process and principles, but Bonn officials are paying closer attention to distributive outcomes and net pay-offs in the short term.' (Anderson, 1999, p. 207-208)

In spite of the increasing domestic scepticism about the nature of European integration as set out in the Maastricht treaty, the domestic debate did however also lead to a new degree of institutional linkage between Germany and the EU. In response to the scepticism of the public and the German *Bundesbank* about EMU (Bulmer, Jeffery and Paterson, 2000, p.94) the Kohl administration<sup>40</sup> insisted on the inclusion of a stability pact, which, after lengthy discussions was finally included into the EMU regulations in December 1996.

The strict regulations with regard to the limit on public debt of any member state participating in EMU<sup>41</sup> clearly bears the trademark of the *Bundesbank's* traditional policy of monetary stability.

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<sup>40</sup> It was especially the then finance minister Theo Waigel, at the same time leader of the Bavarian CSU, who pressed for the stability pact in order to silence his inner-party critics.

<sup>41</sup> The stability pact sets out the following criteria, which EMU participants must adhere to: 1. The rate of inflation must not exceed the average rate of inflation of the three member states with the best results by a maximum of 1.5%, 2. The annual rate of public debt must not exceed 3% of the GDP and the total rate of debt must not exceed 60%, 3. A national currency must have stayed within the rates of fluctuation set out within the ERM (15%) for at least two years (Hillenbrand, 1999, p.354)

With the stability pact included in EMU and the final decision to create an independent European Central Bank in Frankfurt along the lines of the *Bundesbank* model, Germany consequently managed to export parts of its domestic institutional structures towards the EU level. The German political leadership had thus made prudent use of its traditional power resources in combination with the domestic pressures, which had been generated by the Maastricht treaty, in order to exercise strong direct influence on the institutionalisation of a major policy area:

‘(...) negotiators could point to the requirements of domestic law concerning the Bundesbank’s autonomy or concerning fiscal prudence in order to exert leverage in technical negotiations on the economic criteria for the third stage of EMU and on the constitutional-legal situation for the European Central Bank. This position was enhanced by traditional power resources (for example, the strength of the deutsche mark and the organisational prestige of the Bundesbank), such that Germany was in a strong position to influence both the terms of transition to an EMU and its subsequent evolution (...).’ (Bulmer, 1997, p.74)

The result was a prime example of ‘direct institutional export’, which showed that the unified Germany was well capable of securing its national interests. Even though the German public continued to perceive the abolition of the *Deutsche Mark* as a major sacrifice, Germany had at least managed to influence the organisation of EMU along the lines of its own economic interests, at least as they were defined by the *Bundesbank*:

‘(...) most of the technical conditions it had set out for the road to EMU were accepted, most notably an iron-clad guarantee of the independence of any ECB (to be located, of course, in Frankfurt) and of its commitment to *Stabilitätspolitik*, and the imposition of tough convergence criteria as preconditions for EMU membership (...) This allowed Helmut Kohl rightly to boast of the *deutsche Handschrift* on this part of the Treaty, and presented an example of German institutional export of far-reaching significance for the future development of the EU.’ (Bulmer, Jeffery and Paterson, 2000, pp. 41-42).

The post-Maastricht change in German European policy has thus become obvious: in response to the high financial burden of reunification and the increased fragmentation of domestic interests, Germany has become more willing to overtly defend its interests on the European level. The fact that Germany had so openly campaigned for its interests in the context of EMU showed that the country 'had broken with its past habit of playing "junior partner" in the launching of major EU initiatives' (Kirchner, 1996, p. 160). In the post-Maastricht developments in the course of the 1990s, Germany consequently showed a more self-confident manner on the European stage and did not shy away from putting forward its own positions on major issues.

The prime example for this was the paper published in 1994 by two European policy experts of the CDU, Wolfgang Schäuble and Karl Lamers. They made a number of proposals on the development of a multi-speed Europe (Schäuble and Lamers, 1998, pp. 71). The paper, which contained many ideas Chancellor Kohl shared, but could not put forward himself (Bulmer, Jeffery and Paterson, 2000, p. 80), was a surprisingly bold unilateral step which showed that the unified Germany was self-confident enough to make its own proposals on the future of the EU. Contrary to Germany's traditional pre-1989 approach, the paper had not been agreed with any of Germany's European partners, not even with France. This was not a sign of a new German unilateralism, but simply an expression of Germany's willingness to act in accordance with its increased economic and political weight after reunification. The paper was hence another sign for the gradual 'normalisation' of German European policy, in the course of which the now fully sovereign Germany adopted a behaviour which had been normal for most other EU member states for decades.

Because 'the positions and preferences of Germany are relevant for a larger number of topics on the European agenda than those of most of the other member states' (Janning, 1996, p. 34), the unified Germany feels almost obliged to develop its own ideas on the future of Europe in order to fulfil the expectations among its partners in the EU. After Maastricht, Germany has therefore become less concerned about how its behaviour on the European stage is perceived by its neighbours:

‘Also in this area, the Germans follow the level of attitudes of other nation states. A feeling spreads in which the now formally sovereign foreign policy of the Federal Republic is examined in respect of whether it is really independent. (Korte, 1997, p.53)

A greater willingness to openly bargain for national interests on the EU level, including the setting of limits to integration where the effects are deemed to be undesirable for Germany, had already begun under Kohl. At the 1997 IGC in Amsterdam, which should have led to a profound revision of the Maastricht Treaty, the Kohl administration made clear that the greater domestic scepticism and scrutiny with regard to further integrationist steps would no longer allow Germany to maintain an uncritical stance towards integration. Germany therefore rejected the attempts of the newly elected Socialist French government under Lionel Jospin to link the Stability Pact for EMU, which still had to be signed, with the creation of a common European employment policy (Weidenfeld and Giering, 1998, p. 32). The dispute about this issue between the two main advocates of integration, France and Germany, overshadowed the Amsterdam summit and led to rather unsatisfactory outcomes (Giering, 1997, pp. 332-333; Weidenfeld and Giering, 1998, pp. 84-85). Moreover, at Amsterdam the Kohl administration was also not ready to agree to the extension of Qualified Majority Voting (QMV) towards social policy issues.

The change in the German stance was therefore obvious. After the domestic difficulties with Maastricht, the German government was no longer ready to agree to integrationist measures from which Germany might not benefit but which might increase the financial burden of German net contributions towards the EU.

Amsterdam had thus shown that

‘above all that there were limits to the traditional belief that Germany would make more sacrifices than others in order to maintain the Community ship on course.

At the Amsterdam summit, the Germans acted to defend their narrow national interests, as perceived by Christian Democratic Chancellor Kohl.’

(Cole, 2001, p.68)

Although Germany remained principally pro-integration, this 'normalisation' of the German attitude towards European integration was inevitable. The larger, fully sovereign Germany has to shoulder the domestic financial burden of reunification and domestic public support for European integration would break away if German political leaders would maintain the *cheque-book* attitude of the West German Republic in Europe. In this respect, Glaab et al rightly point out that, especially by the end of the 1990s Germany faced a situation in which

'the successes of European integration (negative and positive steps towards integration) have to a large degree been consumed in the awareness of the people (...) At present, a majority of the Germans rather follows the national definition of interests in which the value of Europe is only connected with costs.' (Glaab, Gros, Korte and Wagner, 1998, p. 168).

Like for most other EU member states, European policy has thus become a normal part of foreign policy and 'is no longer an idealistically excessive special case' (Ibid, p.167) which has to be supported at all costs. Germany still remains committed to progress in European integration and wants to maintain its status as one of the main engines behind the integration process. However, the unreal and uncritical pre-1989 embrace of everything European has to a certain degree come to an end. Instead, after the high point of integration at Maastricht, this 'has given way to the demands of more normal circumstances and sober analysis by policy elites' (Bulmer and Paterson, 1996, p.1).

Because Kohl still maintained his pre-unification visionary rhetoric with regard to European integration, while he at the same time started to defend Germany's material interests ruthlessly, Germany's stance became increasingly incredible. Towards the end of the Kohl era, an increasing gap between 'rhetorical excesses of the own European role and the actual behaviour' (Janning and Meyer, 1998, p. 12) had thus opened up.

After the change in government in September 1998, when the first SPD/Green party coalition came into power, the new administration tried to close this gap by talking more openly about Germany's national interests in Europe. Like the rest of his cabinet, the new Chancellor Gerhard Schröder is part of the post-war generation which has been politically socialised in the reformist climate of the 1960s. Other than the generation of post-war German leaders such as Helmut Schmidt or Helmut Kohl, whose attitude towards European integration had been shaped by their personal experiences of the scars of war, the new generation that came into power in 1998 shows a more realist attitude towards Europe. Whereas their predecessors had seen the success of European integration as an issue of peace or war, the new German leaders have no personal experiences of the two world wars and therefore approach European integration in a far more pragmatic way (Hyde-Price, 2000, p. 5).

Under Schröder, Germany is consequently far more blunt with regard to the limits of German contributions to the deepening of integration than under any previous German administration. The post-Kohl approach towards European issues is 'focused on making more open and "rational" calculations of cost and benefit in EU policy, and defining policy choices on that basis' (Jeffery and Paterson, 2000, p. 35). Before becoming the official SPD candidate for the Chancellorship, Schröder himself has for long been on the Eurosceptic wing of the party. Although he has given up his initial scepticism towards EMU<sup>42</sup>, Schröder had left no doubt, even before he came to power, that he was part of a new generation of pragmatic European politicians who would assess European integration by the balance between its costs and benefits only<sup>43</sup>.

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<sup>42</sup> Schröder had caused political turmoil within the SPD and Germany in the mid-1990s, when he branded the Euro as a 'premature birth' and a 'political adventure', which would give the SPD a major 'national leftist issue' in the 1998 election campaign (*Süddeutsche Zeitung*, 'Schröder steht mit Kritik an Euro-Termin allein', 2 January 1997 and 'Die Duftmarken der "Provinzpolitiker"', 11 September 1997).

<sup>43</sup> See interview with Gerhard Schröder in *Die Zeit*, 9 September 1998, 'Schröder: Jetzt sind die Pragmatiker die Visionäre'.

In this respect it is interesting to note that there is an obvious difference between Schröder and his Green Foreign Minister Joschka Fischer, who is not always happy with Schröder's more self-confident attitude in Europe and whose rhetoric with regard to European issues is far closer to that of the old generation of German leaders<sup>44</sup>.

The new government has not principally altered Germany's pro-integration stance and its commitment to multilateral consultation with its European partners. It has however defended German national interests much more rigorously than any of its predecessors. The first German EU presidency under the new red-green administration therefore focused strongly on the aim to come to fairer share of the German net contributions to the EU budget:

'Within the framework of the revision of the EU's finances we want to come to an increased fairness with regard to contributions and to reduce the German net burden to a fair amount'<sup>45</sup>.

This was especially important with regard to the negotiations on the *Agenda 2000*, which would determine the financial framework for the enlargement process, where the new Schröder administration showed an unprecedentedly harsh attitude. Not only did the government threaten to slow down the enlargement process if the EU would not come to a fairer share of the financial burden (Jeffery and Handl, 1999, pp. 20-21).

Schröder himself also made clear that his government would be aware of the concerns of the German people<sup>46</sup> with regard to the enlargement process and would therefore defend the national interest in the negotiations:

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<sup>44</sup> Hans-Peter Schwarz argues that Fischer must be seen as the 'green founding' of Kohl and Genscher who attaches much greater importance to the traditional German European policy emphasis of *self-limitation* and *voluntary integration* than Schröder (Schwarz, 1999, p. 3)

<sup>45</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, 10 November 1998, [www.bundeskanzler.de/Regierungserklaerungen-8561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder-htm](http://www.bundeskanzler.de/Regierungserklaerungen-8561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder-htm).

<sup>46</sup> A majority of German people fears negative consequences if the EU enlarges eastwards, which is why 43% of the German public are against EU enlargement (Eurobarometer 54, autumn 2000, <http://europa.eu.int/comm/dg10/epo/eb/eb54/highlights.html>).

'(...) there are also concerns with regard to the enlargement process. To overlook these concerns or to talk over them in respect of the big project as a whole, puts the support of the people for the opening of the European Union at risk (...) Every negotiation result has to stand the test of reality. We will therefore only agree to a common position if the objective German needs on the issue are taken into consideration (...) Everything has to be affordable within the framework of Agenda 2000 and must also not overstretch the domestic budgets of the accession candidates'<sup>47</sup>.

Schröder consequently demanded a transitional period of seven years for the free movement of labour after the accession of the first CEE candidate countries to the EU<sup>48</sup>. The rigid stance with regard to Germany's interests in the enlargement process does however not mean that the new red-green coalition does not support the process. On the contrary, under Schröder, Germany remains strongly committed to eastward enlargement. It is simply an expression of the more pragmatic and 'normalised' attitude towards major integration issues under a new generation of German leaders, that national concerns and interests are openly put on the agenda. In his speech to the SPD party conference in Nuremberg in November 2001, Chancellor Schröder therefore reiterated German support for a swift enlargement process:

'After the fall of the Iron Curtain we want – to say it with the words of Willy Brandt – that also in Europe that which belongs together, grows together. (...) The accession negotiations (...) should, if possible, have been concluded with all candidates by the end of 2002. We hope, we can manage that.'<sup>49</sup>

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<sup>47</sup> Rede von Bundeskanzler Schröder auf der Abschlussveranstaltung der Regionalgespräche der SPD-Bundestagsfraktion, 3 April 2001, [www.bundeskanzler.de/Reden-.7715.27667/Rede-von-Bundeskanzler-Schroeder-auf-der-Abschlu...htm](http://www.bundeskanzler.de/Reden-.7715.27667/Rede-von-Bundeskanzler-Schroeder-auf-der-Abschlu...htm).

<sup>48</sup> Ibid.

<sup>49</sup> Rede des SPD-Parteivorsitzenden, Bundeskanzler Schröder zum Themenbereich Außen- und Sicherheitspolitik, SPD-Bundesparteitag, Nürnberg, 20 November 2001, [www.spd-parteitag.de/servlet/PB/menu/1002034/index.html](http://www.spd-parteitag.de/servlet/PB/menu/1002034/index.html).

This new connection between pragmatism and continuity also became clear during the crucial Nice IGC in December 1999, which should have reformed the EU institutions and procedures in order to prepare them for enlargement. The German government had made clear from the outset that it would strongly support institutional reform but only if the larger size of the unified Germany's population would be taken into account. This was especially important with regard to the number of votes in the European Council, where Germany wanted an end to parity with the (in respect of the size of its population) smaller France. In its basic proposals for the Nice summit, the Schröder administration had therefore stressed that it would only be ready to give up its second Commissioner in the course of a reform of the Commission, if 'a sufficient settlement in other areas, especially with regard to the weighting of votes'<sup>50</sup> could be found. Chancellor Schröder had insisted on this issue during the intergovernmental negotiations at Nice and did not even shy away from falling out with the French presidency over the issue<sup>51</sup>.

The greater boldness to openly stand up for Germany's national interests which developed under Schröder goes hand-in-hand with a general willingness to take on greater responsibility with regard to foreign policy issues. Under the new generation of leaders, Germany increasingly defines itself as a 'normal' partner in Europe, which openly advocates its interests but is also increasingly ready to share the risks and responsibilities of a fully sovereign nation. This is mainly an expression of the widespread feeling among Germany's new generation of political leaders that since 1949, Germany has proven that it is a democratic and reliable partner in Europe<sup>52</sup>.

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<sup>50</sup> *Grundsatzpapier der Bundesrepublik Deutschland zur Regierungskonferenz in Nizza zu den institutionellen Reformen*, CD-Rom document supplement in Weidenfeld, 2001.

<sup>51</sup> At the Nice summit, Schröder supported other EU member states in their rejection of the French proposals for institutional reform, which led to major disturbances in the Franco-German relationship (Süddeutsche Zeitung, 'Noch keine Einigkeit über EU-Reform', 1 December 2000; The Times, 'Schröder rejects parity with France', 4 December 2000; The Times, 'Chirac caught out by the numbers game', 12 December 2000).

<sup>52</sup> In an interview with the Daily Telegraph, Schröder expressed the view that Germans 'should finally be allowed to start expressing and feeling pride in their nationhood, (...) proud of creating their post-war democracy and culture, if not of their Germanness' (Daily Telegraph, 'Our interests and Europe's are identical', 22 March 2001).

This new approach of *multilateral responsibility* became especially clear in respect of the changes in Germany's attitude towards military engagement. The debate about the increased international responsibility of the larger Germany had already started during Iraq's invasion into Kuwait in August 1991, which turned into the second Gulf War. Although West Germany had already supported the United States logistically in the Mediterranean sea during the 1980s and had also contributed to an international police force in Namibia in 1989 (Baumann and Hellmann, 2001, p.67), the German foreign policy consensus in the early 1990s strictly stuck with the principles of *Genscherism*. The traditional pre-1989 'civilian power' attitude, which had been personified by Germany's longest-standing FDP Foreign Minister Hans-Dietrich Genscher stuck to the principle of non-military, civilian conflict resolution. The position was that the *Grundgesetz* had determined the role of the *Bundeswehr* as that of a *Verteidigungsarmee* (i.e. an army used only for territorial defence). Any so-called *out-of-area* military engagement, which would not be part of the Federal Republic's obligation to defend an attack on NATO territory, was therefore out of question. In spite of repeated calls from the U.S. and other Western Allies, who formed the Gulf War coalition against Iraq in 1991, for Germany to deploy *Bundeswehr* forces (Frenkler, 2001 p. 51), the Kohl/Genscher administration therefore limited itself to financial contributions and to its duties as a NATO ally<sup>53</sup>. This cautious attitude had been broadly in line with the views of the majority of the German public at the time, who broadly supported Germany's civilian approach to the conflict<sup>54</sup>.

Whereas the Bonn republic could easily get away with its profoundly pacifist attitude and the tendency to buy itself free from military risks through financial contributions, the pressure on the unified Germany to take on greater responsibility in accordance with its increased political and economic weight, grew in the early 1990s.

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<sup>53</sup> During the Gulf crisis, Germany sent 200 troops and 18 fighter jets to its NATO ally Turkey to support the country against a possible Iraqi attack.

<sup>54</sup> The German domestic discussion mainly centred on the widespread accusations that the Gulf War was mainly about U.S. interests in Kuwaiti oil (Hyde-Price, 2001, p.1.) Moreover, especially East Germans strongly supported a pacifist stance, as they found it hard to come to terms with the united Germany's membership in the former 'enemy' alliance NATO (Maull, 2001, p.114).

In the aftermath of the Gulf War, the German political leaders increasingly had to defend themselves against 'snide comments about Bonn's "cheque-book diplomacy" (Hyde-Price, 2001, p.20). Although neither the German public nor the German political elite had wanted to realise it, Germany's post-unification international status would not allow the Germans to continue to 'free-ride under the American defence umbrella, content in the knowledge that they had exorcised the ghost of militarism from German soil' (Lees, 2000, p. 129). It became increasingly clear that Germany's partners, especially the United States, would expect the fully sovereign country to take on full international responsibilities, including the risks of military engagement. A united Germany would therefore no longer be able to limit itself to the pre-1989 pacifist approach of the Bonn republic, which (due to the negative experiences of the World Wars) had defied military risks and left the major burden to its partners. For the unified Germany, the step from Max Weber's ethics category of 'ultimate ends' towards an 'ethics of responsibility' (Gerth and Mills, 1991, pp.120) had to be taken<sup>55</sup>.

This was in line with the domestic discussion in Germany in the mid-1990s, in which a number of academics had demanded a redefinition of the foreign policy priorities of the united Germany (Jeffery and Paterson, 2000, p.30), among them Christian Hacke, who called for

'a new foreign policy self-definition, in which a balance between power and ethics, between responsibility and interest, between national scope of action und global responsibilities is found. A powerful diplomacy, based on the willingness to use military force as a last resort if dictatorship and aggression endanger freedom, self-determination and welfare, is indispensable' (Hacke, 1996, p.11)

The debate only bore fruit when the German head of state at the time, president Roman Herzog had delivered a speech to the *Deutsch Gesellschaft für Auswärtige Politik* in 1995, in which he called for a 'normalisation' of German foreign policy.

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<sup>55</sup> The 'ethics of ultimate ends', as characterised by Weber in his essay '*Politics as a Vocation*', refuses force as a means of politics, and resorts to the belief in an idealistic world. In contrast, the 'ethics of responsibility', which Weber promoted, accepts the realist character of the world as one full of conflicts, in which responsible action might have to include the use of force in order to prevent further evil. (Gerth and Mills, 1991).

In the speech, Herzog supported the call for an end to the foreign policy limitations the semi-sovereign Bonn republic had pursued because they would no longer be suitable for the larger, unified Germany:

‘We see more and more clearly that a policy which is unwilling to take risks can in the long term be more risky than the readiness to take risks (...) We certainly cannot completely do without “hard power”. We need it in order to be protected against genocide, aggressions and blackmail (...) The quality of our engagement has to correspond to our increased weight, otherwise nobody in the world will take us seriously in the long term (...)’<sup>56</sup>

The fact that Herzog had directly criticised the traditional *cheque-book diplomacy* of the Kohl/Genscher administration made it clear that parts of the German political elite were gradually adapting towards Germany’s new international role. Herzog obviously realised ‘that the general public had to be conditioned to accept their country’s new international status’ (Lees, 2000, p. 129):

‘This means of course that the cheque-book is not always sufficient but that there will also once possibly be a demand to devote body and soul (...) We should not take ourselves more serious than we are, but we should also not make ourselves smaller than we are’<sup>57</sup>

An important constitutional hurdle towards the ‘normalisation’ of German foreign policy was removed in the course of the debate about the German military involvement in peace-keeping operations in former Yugoslavia in the early 1990s.

Due to the increasing international pressure for German participation in peace-keeping missions, the Kohl government felt obliged to do more than just contribute financially. It therefore agreed to send both supply and transport units to Somalia in 1993, as well as German military personnel as part of the AWACS surveillance flights over Bosnia-Herzegovina.

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<sup>56</sup> Roman Herzog’s speech at the 40<sup>th</sup> anniversary of the *Deutsche Gesellschaft für Auswärtige Politik*, Bonn, 13 March 1995 (source: Presse- und Informationsamt der Bundesregierung, Berlin).

<sup>57</sup> Ibid.

The SPD opposition, which argued that these involvements contradicted the regulations of the *Grundgesetz*, consequently appealed to the Federal Constitutional Court in order to clarify the issue. The decision of the Court on 12 July 1994 confirmed that under article 24 of the *Grundgesetz*, the federal government would be entitled to commit German troops to multilateral international peace-keeping missions. The only precondition was that in each case of German military involvement, a majority of MPs in the German *Bundestag* would have to agree to the mission (*Parlamentsvorbehalt*) (Hacker, 1995, pp. 258-259). This clarification of the constitutional background of German military involvements paved the way for a gradual 'normalisation' of German foreign policy and especially for the major steps undertaken by the Schröder administration in this area.

The first red-green coalition in Germany's history would have never expected that it would be up to them to introduce a fundamental change in German foreign policy, namely the first the *Bundeswehr* involvement in an active combat mission outside NATO territory since the Second World War. Both the SPD and even more so the Green Party had become the home for many traditional pacifists who valued and defended the Germany's post-war *civilian power* status which rejected any involvement in military combat outside the obligation to defend NATO territory against a possible attack. Especially the Green party had mainly managed to establish itself as part of the political establishment of the Bonn republic as a result of the opposition of many left-wingers towards the NATO *dual track decision* to deploy new missiles in Western Europe, which had been strongly advocated by SPD Chancellor Helmut Schmidt.

Formed as a political party out of a number of groups from the peace movement of the 1970s, the Green Party consequently entered the West German *Bundestag* for the first time in 1983, in which it promoted German neutrality and disarmament. In this respect, the Green Party initially had stood for the classic example of Weber's *ethic of ultimate ends*:

‘As a political grouping which had its West German roots in the peace movement, the party contained a strong and principled pacifist wing and thus rejected any use of force, and had demanded the dismantling of the Bundeswehr and the substitution of NATO with collective security arrangements within the CSCE and the UN. West German Greens also rejected any German participation in United Nations peace-keeping missions.’ (Hyde-Price, 2001, p.112)

It was only during the atrocities in former Yugoslavia in the early/mid-1990s that the Greens gradually started a debate about the possible, limited use of force in order to protect human rights. The general party line, however, remained one of the rejection of force and a focus on *civilian, non-military* conflict resolution<sup>58</sup>.

The SPD held a similar, although not quite as fundamentalist position with regard to German military involvement. The *Grundsatzprogramm* the party had established at the Berlin party conference in 1989, which officially is still the party’s basic manifesto today and was revised at the party conference in Leipzig in 1998, explicitly commits the party to a pacifist stance

‘War must not be a means of politics (...) It is our goal to replace the military alliances through a European peace framework (...) The *Bundeswehr* has its place in the concept of common security. It must only serve the purpose of defending our country. Its mission is the prevention of war through the structural inability to attack (...) The goal of peace policy is to make troops unnecessary.’<sup>59</sup>

The SPD therefore had always been a home to pacifists, although its pacifist wing had never been as big as that of the Green Party. Throughout the early 1990s, the SPD continued to oppose the Kohl administration’s hesitant attempts to ‘normalise’ German foreign policy by sending logistic support for peace-keeping missions (Maull, 2001, pp. 111-112).

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<sup>58</sup> Only in 1995, Joschka Fischer had still warned about possible attempts to ‘militarize’ German foreign policy (Fischer, 1995, pp. 228).

<sup>59</sup> *Grundsatzprogramm der Sozialdemokratischen Partei Deutschlands*, passed in Berlin, 20 December 1989, modified in Leipzig, 17 April 1998, pp.15-16.

Through its challenge of the government's policy at the Federal Supreme Court, the SPD had also brought about the crucial decision of July 1994. The pacifist tradition of both parties was reflected in the coalition agreement both parties signed after they had come to power in 1998. In the agreement, both parties define Germany's foreign policy completely in terms of the traditional pre-1989 *civilian power* tradition:

'German foreign policy is peace policy. The new federal government will develop the essential features of the previous German foreign policy further (...) The basic elements of it are the observance of international law, the promotion of human rights, the openness to dialogue, the renunciation of force and confidence building.'<sup>60</sup>

The coalition agreement further stressed that the new government would only agree to the involvement of *Bundeswehr* troops in peace-keeping missions, if these missions were based on a U.N. mandate:

'The participation of German troops in measures to secure world peace and international security is bound to the compliance with international law and the German constitutional law. The new government will actively promote the preservation of the United Nation's monopoly of force and the strengthening of the role of the United Nation's general secretary.'<sup>61</sup>

The government's noble intentions in this respect were harshly challenged after only a few months in office, when the ongoing violence in Kosovo between the Serbian army and the Kosovo Liberation Army (KLA) escalated and led to an increasing number of atrocities against the Albanian civilian population from the part of the Serbian military. In order to stop the Serbian aggression, NATO had decided to start an air raid campaign on Serbia in March 1999. Germany's NATO allies pressured Germany to actively take part in the campaign. As a result, for the first time since the Second World War, a German government faced the challenge of sending German military into an active combat mission.

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<sup>60</sup> Koalitionsvertrag SPD-Bündnis90/Grüne , 1998, Chapter 11, article 1 and 7, [www.bundesregierung.de/dokument/Schwerpunkte/Koalitionsvertrag](http://www.bundesregierung.de/dokument/Schwerpunkte/Koalitionsvertrag).

<sup>61</sup> Ibid.

That it was above all the first red-green coalition in Germany's history who faced such a decision was probably a particular irony of the events of history. On the other hand, it made the change towards the 'normalisation' of German foreign policy far more credible than it would have been under a government led by the CDU/CSU. The fact that the two parties, who had for so long been the standard bearers of Germany's post-war *civilian power* tradition made the decision to send German troops into their first combat mission since 1945, therefore marked a major shift in the foreign policy of the unified Germany.

The major figures of the government had to use all their political clout and rhetoric skills in order to convince their parties of the soundness of the decision. Both Chancellor Schröder, Foreign Minister Fischer, as well as SPD defence minister Rudolf Scharping were convinced, that the humanitarian crisis on Europe's doorstep justified the involvement of the *Bundeswehr* in the air raid campaign against Serbia. The situation in Kosovo, where thousands of Albanian families had been murdered and driven away from their homes by the Serbian military, presented a classic case of the fundamental abuse of human rights. Both the SPD and the Green party leadership therefore sensed an obligation to act.

Schröder stressed this in his televised address to the German people, in which he announced that Germany would participate in the NATO bombing campaign against Serbia:

'We defend freedom, democracy and human rights. We cannot allow that, only one hour away from here by air, these values are treated with contempt. Bundeswehr forces are also part of the NATO operation. That was the decision of the federal government and the German Bundestag – in accordance with the will of the large majority of the people.'<sup>62</sup>

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<sup>62</sup> *Erklärung von Bundeskanzler Schröder zur Lage im Kosovo, 24 March 1999, [www.bundesregierung.de/dokumente/Rede/ix\\_11696.htm](http://www.bundesregierung.de/dokumente/Rede/ix_11696.htm).*

Schröder could refer to the fact that indeed a majority of Germans supported the involvement of the *Bundeswehr* in the campaign against Serbia<sup>63</sup>. This was especially remarkable because the NATO campaign had not been based on a U.N. mandate, usually a prerequisite for any German involvement in out-of-area missions. The human rights case seemed to be obviously strong enough to cause a major shift of attitude among both the German political establishment and the public. This became especially clear with regard to the change of stance in the Green Party.

Joschka Fischer successfully managed to convince the majority of the party delegates of the government's position after long and turbulent debates at the party conference in Bielefeld on May 13<sup>th</sup> 1999<sup>64</sup>. As a mirror of the German public's soul in respect of their uneasiness with military engagement, the Green party reflected the change in the public mood which had been caused by the atrocities in Kosovo. Now even a majority of the Green party supported a military campaign which had not been sanctioned by the U.N., even if it did so reluctantly:

'We have supported the intervention of NATO air forces in Jugoslavia since it began on March 24<sup>th</sup> in spite of numerous, concerns, especially with regard to the international law, because we were hoping that this would create a possibility to stop the criminal policy of the Serbian leadership against the Albanian majority in Kosovo (...) We are still aware of the dilemma which lies in a strategy to defend human rights, which includes an undoubtedly violation against existing international rights.'<sup>65</sup>.

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<sup>63</sup> At the time of the bombing campaign in March 1999, 58% of the German public supported the involvement in the air strikes as part of 'the unified Germany's role in world politics'. 52% even supported the continuation of German participation if German soldiers would die during the mission (Baumann and Hellmann, 2001, p.77).

<sup>64</sup> At the party conference, Fischer was attacked by a peace activist who threw a paint bomb at him in order to show his protest against the abolition of the party's pacifist principles (Die Welt, '*Fischer bietet seinen Gegnern unbeirrt die Stirn*', 14 May 1999).

<sup>65</sup> '*Alle Ansätze zu einer Lösung des Kosovo-Konfliktes ernsthaft prüfen*', Erklärung des Bundesvorstandes von BÜNDNIS90/DIE GRÜNEN, 29 March 1999, [www.gruene.de/archiv/pm/PM9903/pm99\\_042.htm](http://www.gruene.de/archiv/pm/PM9903/pm99_042.htm).

Scepticism against the new policy also existed within the SPD, although it was not as strong as in the case of the Green Party<sup>66</sup>. Especially defence minister Rudolf Scharping became the main promoter of the government's stance towards the Kosovo crisis and helped Schröder to counter opposition against the German military involvement within the SPD. At the crucial party congress on April 12<sup>th</sup> 1999, Scharping had managed to secure the backing of a majority of the delegates for the government's policy by appealing to the party's conscience with regard to human rights:

'Against this background, I pose a question to all of us: Did we not write into the first article of our constitution: "The dignity of the human being is intangible"? Do we think that one could limit the responsibility which is derived from that to the territory of our state? What is the value of international solidarity and fraternity, if we do not find the strength to help and to end the killing at least where we can?'<sup>67</sup>

Forced to come to a decision by the tragic events in Kosovo, the unified Germany, led by a rather inexperienced administration, had finally decided to close the gap between its claims to have become a 'normal' European state with obvious national interests and its reluctance to take on full burden-sharing.

Supported by the majority of the German public and the political elite<sup>68</sup>, the Schröder administration had risked its political survival by forcing Germany to adapt to its increased international weight. It had become clear that Germany did no longer want to be treated exceptionally and was therefore ready to shoulder the full burden of the fully sovereign status it had gained after reunification:

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<sup>66</sup> The former SPD leader and finance minister Oskar Lafontaine who had only stepped down a few weeks before the Kosovo intervention headed the public campaign against the government decision (Lafontaine, 1999, p.32). He was supported by Willy Brandt's former foreign policy advisor, Egon Bahr (*Die Zeit*, 'Lieber Egon, lieber Erhard', 17, 22 April 1999).

<sup>67</sup> *Rede von Verteidigungsminister Rudolf Scharping auf dem SPD Bundesparteitag*, 12 April 1999, <http://archiv.spd.de/suche/archiv/verantwortung/reden/scharping.php3>.

<sup>68</sup> Apart from a few dissidents within the red-green coalition, the East German successor of the PDS was the only party which officially opposed the government policy on Kosovo in the *Bundestag* vote. This was also an expression of the continuing reluctance of the Germans in the East to agree to German military engagement, in contrast with the changes in the public mood in the West (Hyde-Price, 2001, p. 27).

‘No other federal government had ever been confronted by the difficult decision, to send German troops into a joint military combat mission with our partners (...) Against the background of our German history there must be no doubt about our reliability, decisiveness and strength. Germany’s integration into the Western community of states is part of the German reason of state. We do not want a German special way. And we have to realise: Germany’s role after the collapse of state socialism has changed. We cannot escape from our responsibility.’<sup>69</sup>

A major step towards a more responsible German foreign policy had thus been undertaken by an administration, which combined the traditional *civilian power* values of multilateralism and the protection of human rights with a new willingness to share full military risks with its partners. This new German approach of *multilateral responsibility* still values the non-violent settlement of conflicts<sup>70</sup> and operates strictly within a multilateral framework. It however also takes into account that the larger Germany has to face up to its international responsibilities, which include the sharing of the risks of military intervention. In this respect, Kosovo therefore marked a big step towards the ‘normalisation’ of German foreign policy,

‘which has been encouraged and welcomed by Germany’s allies and partners, because it has taken place strictly within multilateral frameworks and (...) does not presage the return of a political “Frankenstein monster” (...)’ (Webber, 2001, p.16)

Kosovo had prepared Germany and the red-green coalition for the even stronger challenge of the events that were to follow the terrorist attacks on the United States of September 11<sup>th</sup> 2001. This time the government went one step further and committed German soldiers into Afghanistan to support British and American forces in their fight against the terrorist Al Quaida groups of Bin Laden.

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<sup>69</sup> *Regierungserklärung von Bundeskanzler Gerhard Schröder zur Aktuellen Lage im Kosovo*, 7 February 2002, [www.bundesregierung.de/dokumente/Rede/ix\\_11699.htm](http://www.bundesregierung.de/dokumente/Rede/ix_11699.htm).

<sup>70</sup> This became clear through the fact that the government tried to link its military engagement with new multilateral attempts to solve the Kosovo crisis peacefully. Foreign Minister Fischer initiated parallel multilateral negotiations (including with Russia) to find a peaceful solution. He also worked out a multilateral Stability Pact for Kosovo, which ‘epitomises in an almost paradigmatic way a “Civilian Power’s” approach to conflict resolution’ (Maull, 2001, p.110).

German soldiers did not actively engage in combat but would have to defend themselves in case of an attack, which made the engagement very controversial at home. In his announcement of the decision to send German troops into Afghanistan, Chancellor Schröder stressed that this policy was in line with the new German willingness to take on international responsibility, which would also suit German interests:

‘The contribution we want to make is also an expression of our willingness to take account of the increased German responsibility in the world. This also happens in Germany’s own interest (...) Alliance solidarity is no one-way-street. Therefore it is now important to contribute our share to solidarity, which is committed to our common goals, our common future in security and freedom.’<sup>71</sup>

Foreign Minister Fischer clarified that the engagement in Afghanistan would be necessary to maintain Germany’s goal to promote the policy of *multilateral responsibility* on the international stage, as part of a new global role for Europe:

‘Germany will have to take on greater international responsibility (...) Even if everybody talks about military responsibility, it is mainly political responsibility. This has nothing to do with German hegemonial ambitions from unhappy memories. We are part of Europe and this Europe as a whole has global interests (...) As part of multilateral structures, we contribute to the existence of a policy of responsibility.’<sup>72</sup>

Both Schröder and Fischer had linked the Afghanistan decision with their political survival<sup>73</sup> and had secured the backing of their parties in the end.

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<sup>71</sup> *Regierungserklärung des Bundeskanzlers zur Beteiligung bewaffneter deutscher Streitkräfte an der Bekämpfung des internationalen Terrorismus*, 8 November 2001, [www.bundesregierung.de/dokumente/Rede\\_62094\\_1499.htm](http://www.bundesregierung.de/dokumente/Rede_62094_1499.htm)

<sup>72</sup> Interview with Joschka Fischer in the *Süddeutsche Zeitung*, 18 October 2001.

<sup>73</sup> Schröder had requested a vote of confidence in the Bundestag in connection with the issue and Fischer had announced that he would resign as Foreign Minister if his party would not back him (*Süddeutsche Zeitung*, ‘*Fischer droht Grünen mit Rücktritt*’, 8 November 2001 and ‘*Schröder macht den Grünen Zugeständnisse*’, 14 November 2001).

The Chancellor found it easy to get the support of his party at the party conference in Nuremberg (19<sup>th</sup>-22<sup>th</sup> November 2001)<sup>74</sup>, whereas Fischer again had to use all his rhetorical skills to keep his party on board and in government at the Rostock party conference (November 24-25<sup>th</sup> 2001)<sup>75</sup>. The military engagement in Afghanistan found a broad majority in the German *Bundestag* with only 35 MPs voting against the deployment of German troops, including all members of the PDS<sup>76</sup>.

The fact that the Schröder administration managed to get the backing for the Afghanistan mission both in parliament and within the SPD and the Green party proved those wrong who predicted that Kosovo had been a special case which would not show a new direction of German foreign policy. The Chancellor could therefore convincingly stress that with the military engagement in Kosovo and especially in Afghanistan, where German ground troops are involved, his administration had opened up a new chapter in German foreign policy:

‘Only ten years ago, nobody would have expected from us that Germany should participate in international efforts to secure freedom, justice and stability, other than through something like “secondary aid” (...) This stage of German post-war policy (...) is over for good. (...) The readiness to take account of our increased responsibility for international security also means a new self-definition of German foreign policy. To take over international responsibility, while avoiding every immediate risk, can and must not be the guideline of German foreign and security policy’<sup>77</sup>.

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<sup>74</sup> Die Welt, ‘Der Kanzler pocht auf seinen Machtanspruch’, 21 November 2001.

<sup>75</sup> Süddeutsche Zeitung, ‘Grünen-Basis “akzeptiert” Kriegseinsatz’, 25 November 2001.

<sup>76</sup> Die Welt, ‘Bundestag stimmt Bundeswehr-Einsatz in Afghanistan zu’, 22 December 2001.

<sup>77</sup> Regierungserklärung von Bundeskanzler Schröder zur aktuellen Lage nach Beginn der Operation gegen den internationalen Terrorismus, 11 October 2001, [http://www.bundesregierung.de/dokumente/Rede/ix\\_62904\\_1499.htm](http://www.bundesregierung.de/dokumente/Rede/ix_62904_1499.htm).

The fact that the former communist PDS is the only party in the German Bundestag which opposes the gradual 'normalisation' of German foreign policy and that the majority of the SPD and the Green party changed their pacifist stance during their time in government, makes the changes all the more fundamental. The red-green coalition has thus achieved a shift in Germany's domestic foreign policy consensus that none would have expected from a government formed by the two parties that had fundamentally opposed these changes during the Kohl era. Because they did, the 'normalisation' of German foreign policy has become part of the foreign policy tradition of continuity, which will outlive any future change in government:

'Germany is now as normal as all other states in the alliance with regard to all questions which concern military operations. It decides from case to case, in which, like anywhere else, foreign policy and domestic consideration plays the decisive role. That it was the red-green coalition which has thrown the taboo of the U.N. mandate overboard represents one of the miracles, of which the world is full (...) Some observers have imagined then how the SPD and the Greens would have reacted, if a CDU/CSU and FDP majority would have sanctioned the order to go into action. But that is how foreign policy continuity materialises.' (Schwarz, 1999, p. 6)

After the end of the Kohl era, the German priorities with regard to its foreign and European policy have not been completely transformed but they have been adapted to the changes that unification inevitably has brought about. These changes inevitable demanded that Germany came to terms with the fact that it is no longer the *semi-sovereign* Bonn republic, but now a fully sovereign country and above all now the largest country in Europe.

The expectations among Germany's partners to play a more active role in Europe and on the global stage have therefore grown and will continue to do so (Hellmann, 1999, p.50). A new generation of leaders with a new approach towards European issues has entered the political stage in Germany and has managed to bridge the gap between Germany's foreign policy tradition and its future challenges.

German foreign policy remains reliable and within the post-war tradition of transatlantic solidarity and European engagement, but

‘(...) it is no longer the result of what Gerhard *Schröder* calls the ‘constraint of the conditions’, it is far more part of a German foreign policy which is more active, more determined and more endeavoured to defend the national interests’

(Vernet, 1999, p.16)

### 1.3. Outlook: A ‘normal’ partner in Europe?

A new chapter has been opened in Germany’s European policy, but it contains many old pages. The peaceful end to the artificial division of the German people into two states as a result of the atrocities of the Second World War has not only turned Germany into the country with the biggest population in Europe, it has also moved it into a central position, which will become even more important once the EU enlarges into Central and Eastern Europe. Germany’s new status as a ‘middle power’ has therefore become a fact which the German political elite is increasingly taking into account<sup>78</sup>. Since reunification in 1990, the Germans had to gradually adapt to new internal and external circumstances, which made clear that the larger Germany could no longer restrict itself to the cosy status of the old Bonn republic.

Increasingly troubled by the domestic financial and economic burden of reunification<sup>79</sup>, a new generation of German leaders had to bridge the gap between a more Eurosceptic mood among the German public and new external demands from its partners.

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<sup>78</sup> In an interview with *Die Zeit* on 10 March 2002, Chancellor Schröder accepted that ‘Germany is a middle power and has to live up to this responsibility.’, *Die Zeit*, “*Wir schicken Soldaten, um sie einzusetzen*”, 10 March 2002.

<sup>79</sup> At present, the former draught horse of Europe is in decline. Due to the reluctance to reform the traditional economic system of *Rhineland* capitalism, which is characterized by high labour costs and limited flexibility, the German economy is at the lower end in Europe. For the last ten years, the German economy has grown by less than the European average per year, while it still had to transfer 4.5% of its GDP to the East German *Länder* each year (Marsh, 2002, pp. 2-3).

The larger Germany could therefore no longer continue to play the role of the European *Zahlmeister* (paymaster), who would shoulder the main burden of European integration in order to prove its status as a European *Musterschüler*<sup>80</sup>. Moreover, the domestic foreign policy process has become more diffuse and complicated since unification with the federal government having to increasingly take into account a variety of interests from the strengthened *Länder* influence in the *Bundesrat* and the *Bundestag*. As a result, 'German European policy-making has, like domestic policy-making, become a process of managing institutional pluralism' (Bulmer, Jeffery and Paterson, 2000, p. 125).

Under a younger generation of political leaders, Germany has consequently shown a more self-confident and self-centered approach. In this respect German European policy has definitely become more 'British', a metaphor for a 'normalisation' in terms of its approach towards European integration. Gone are the days were Germany could neglect its domestic interests in order to satisfy its partners on the European stage. Germany is now as committed to the development of European integration as ever, it is simply increasingly behaving like most of the other European nations, which have to reconcile between domestic pressures and global responsibilities:

'Thus, while Germany is becoming a more normal ally globally (which most of its partners welcome), it is at the same time also becoming a more normal – i.e. more self-centered and assertive – big player regionally in European affairs (...)' (Hellmann, 1999, p.57)

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<sup>80</sup> As a result of Germany's greater post-unification consciousness with regard to financial issues, the Ministry of Finance has become the second most important federal ministry after the Foreign Ministry and has gained a number of responsibilities which used to fall into the area of the Ministry of Economics. These include EMU, customs, the Community budget. Moreover, under the short reign of Oskar Lafontaine as finance minister in 1998, it has acquired further rights of official representation on the Community level from the Ministry of Economics (Bulmer, Maurer and Paterson, 2001, p. 188). After the September 2002 general election victory of the red-green coalition, Chancellor Schröder decided to return these powers to the newly formed 'super ministry' of work and the economy under the leadership of the former prime minister of North Rhine-Westphalia, Wolfgang Clement (see *Die Welt*, 'Eichels Erfolgsstory scheint beendet', 21 October 2002).

The new Germany's European policy will therefore be increasingly characterized by a combination of 'pragmatism, emphasis of interests, European willingness to act and (...) occasionally also stubbornness' (Meyer, 1999, p. 580). The fully sovereign status of the unified Germany has also not come without a price.

Germany's partners had expected that it would shake off its reluctance to take on greater international responsibility even quicker than it has actually done. The 'normalisation' of German foreign policy in terms of its increasing willingness to share the full burden of international military engagement (as shown in Kosovo and Afghanistan) has been accompanied by a discussion about Germany's traditional post-war status as a *civilian power*<sup>81</sup>. The Bonn republic's reluctance to use military force as a means of conflict resolution and its almost fundamentalist pacifist attitude towards international diplomacy definitely fulfilled the criteria of a classic *civilian power*. The new willingness of the united Germany to engage in military combat missions since the late 1990s do at least suggest a modification of Germany's *civilian power* attitude, which now includes 'the possibility of the use of force under certain circumstances' (Maull, 2001, p.120).

More adequate, however, is the description of Germany post-Kosovo and Afghanistan as a '“normal” civilian power' (Webber, 2001, p. 32), which still essentially pursues the *civilian power* goals of civilising world politics through a profoundly multilateral approach and the use of military force as a last resort only. Especially during the Kosovo crisis, however, Germany 'broke with a central norm of its foreign policy identity as a civilian power when it acted in the NATO context without a clear UN Security Council mandate in Kosovo' (Harnisch, 2001, p. 51).

Whereas the *semi-sovereign* West German Federal Republic definitely was a 'special case' in Europe, whose foreign policy could not be compared to that of other 'normal' European powers, the new Germany is gradually shaking off the old constraints and is increasingly trying to re-join the concert of the other, 'normal' European states.

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<sup>81</sup> The traditional *civil power* concept, as defined by Harnisch and Maull includes the 'willingness and ability to civilise international relations, (...) to transfer sovereignty or autonomy to supranational institutions (...), and the eagerness to realise a civilised international order' (Harnisch and Maull, 2001, p.4)

As a result, '(...) the German self-image of being a 'civilian power' different from other more 'traditional' Western powers is misleading.' (Baumann and Hellmann, 2001, p.79).

Gunther Hellmann even goes as far as to reject the notion that, since reunification, Germany has ever been a special case. On the contrary, Hellmann insists that post-unification Germany has been 'no more (and no less) a power shaped by circumstance and choice than *any* of its partners in NATO and the EU'. This would mean that the 'normalisation' process in Germany's foreign policy 'is a process of "normalisation" which any country experiences at any time' (Hellmann, 1999, p.3).

The greater willingness to take on international responsibility should therefore be seen as

'a translation of "normalisation" into German by spelling out the multiple meanings of the term in the political and historical context of the country' (Ibid, p.25).

The 'normalisation' of German foreign policy has hence not led to a complete re-definition of the country's foreign policy principles but has rather taken place within their framework. The united Germany remains committed to its traditional post-war integration into the West through NATO and EU, which allows it to exercise its multilateral approach to international affairs.

Germany still pursues classic *civilian power* goals in its foreign policy, which are aimed at multilateral conflict resolution through international organisations and the use of force only as a last resort. The 'normalisation' of its attitude towards military engagement has however modified Germany's pre-1990 fundamentalist *civilian* approach by a new policy of *multilateral responsibility*.

In this respect, Germany is now still a promoter of peaceful diplomacy but has become less of a special case in Europe, but rather 'a normal European state, one, however with special engagements' (Wessels, 2001, p.113).

Especially with regard to its European policy, Germany has become more self-centered and pragmatic in its approach because it has to face up to its new status as the *central power* in Europe, with the prospect of becoming the *leading power* in an EU that has enlarged into Central and Eastern Europe.

With regard to Germany's growing economic troubles and financial problems, it is still difficult for the unified Germany to live up to the financial demands which come with a normalisation of its foreign policy, especially in military terms.

Germany will remain a 'European "medium power of power of the centre" ' (Link, 2001, p.561) and will continue to avoid any hegemonial aspirations, but its strong links with both its partners in the West and East<sup>82</sup> make a more important role for Germany in a larger Europe almost unavoidable:

'The European framework for a leading role of German European policy seem favourable: size, resources and geographical position turn Germany into a key state of the enlarged European Union (...)' (Janning, 1999, p. 352)

Germany will have to make prudent use of its central position in order to counter fears among its neighbours that it might aspire a new hegemonial position in an enlarged EU. On the contrary, German policy-makers will have to develop a process of diplomacy, in which Germany proves that it can use its more self-confident attitude as a 'normal' power in the centre of Europe in order to re-unite the European continent:

'It is especially important however, that the reunified Germany is endeavoured to integrate the CEE countries into the EU, which means to also create the 'institutionalised constraints' in the East and therefore to 'Europeanise' the German engagement in Central and Eastern Europe as well as establishing a European balance-of-power, instead of creating a German sphere of influence or a "Germanization" ' (Link, 2001, p. 558).

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<sup>82</sup> Since reunification, Germany's share with regard to EU exports to the CEE-6 countries (Bulgaria, Czech Republic, Hungary, Poland, Romania and Slovakia) has risen from 36.05% in 1989 to 51.43% in 1995 (source: Lippert, Hughes, Grabbe and Becker, 2001, p. 43)

Fears about a possible re-nationalisation of German European policy are nevertheless unfounded, as the new generation of German leaders have no ambitions whatsoever to use Germany's increased weight to return to the nationalistic power politics of the past.

On the contrary, German society is deeply committed to the continuation of the principles of multilateral co-operation and peaceful co-existence with its neighbours in Europe, which have helped to re-integrate Germany into the concert of peaceful nations after 1945:

'Germany's national identity and its dominant foreign policy role conceptions are those of a 'normal' *Zivilmacht*, committed to the shaping of pan-European co-operative security order buttressed by enlarged Euro-Atlantic structures.' (Hyde-Price, 2000, p.223).

Germany will therefore have to exercise leadership<sup>83</sup> in Europe but it will do so in close consultation with its partners and in order to deepen the process of European integration further. In this respect, it will be advantageous for Europe that Germany has become more self-confident and 'normal', because although it is expecting fairer burden-sharing from its partners, Germany is now also ready to take on greater responsibilities. Germany has still not completely found its role in the emerging new Europe but it is in the process of re-defining its position and adapting to the changes all EU member states will have to face. In this respect, ten years after reunification Germany is still a country in transition. It has already moved forward quite a stretch of the road, but there is still quite a way to go, which leaves Germany as insecure about the future, as the rest of Europe is at present:

'German politics says goodbye to yesterday, but with hesitation. And it prepares for the new, without jubilation. Schröder, the crisis manager, has so far followed this path with determination, but now a touch of insecurity covers everything, even for him. To become "normal" is pretty hard, as you can see.'<sup>84</sup>

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<sup>83</sup> In an interview with *The Times* in February 2002, Chancellor Schröder accepted that Germany will have to play a leading role in helping the EU to face up to the big tasks ahead (*The Times*, *The euro Chancellor*, 22 February 2002).

<sup>84</sup> Gunter Hofmann in *Die Zeit*, 'Und jetzt in Reih und Glied', 8 November 2001.

## **Chapter 2: The reluctant European: Britain and European integration since 1945**

Britain's relationship with continental Europe has never been an easy one. Britain's attitude towards the unfolding, post-war project of European integration consequently differed fundamentally from those of its continental neighbours. Although from a continental perspective, Britain has always been considered to be a part of Europe, the British often prefer to take a different view point. As Britain is separated from the continent in geographical terms, the British have traditionally shown a tendency to see themselves as being more than just another European country. British self-definition amounts to a subconscious belief that they represent a special nation, which is quite different from any of its continental neighbours. Closely connected with this is the British view of the continent as a permanent source of potential trouble. The British have therefore traditionally been rather content with the geographic isolation their island grants. An isolation, which has allowed Britain to maintain its distance from a troublesome continent and to control any political or military engagement. Moreover, Britain's insular status has generally spared the country the humiliating fate of foreign occupation, which many of its continental neighbours have had to repeatedly bear. Britain was therefore free to occupy itself fully with the development of its role as a world power, based on a global Empire of nations, which it succeeded in maintaining until the close of the 1950s.

For the British, the development of their global Empire only confirmed the view that their geographical separateness had not just emerged as an accident of nature, but was a product of 'divine will' (Barzini, 1983, p. 59), designed to enable the country to develop a global role. As a result, any long-term commitment to the European continent was generally deemed a danger to Britain's natural role as a proud, independent nation. Especially any involvement in institutionalised European integration, such as was unfolding on the continent after 1945, which might limit Britain's freedom to act independently.

To agree to bind themselves into an institutionalised European framework, would have amounted to an admission on the part of the British that their historical freedom for independent action and unique distinctiveness, had started to fade in the wake of the Second World War. Instead of joining a project which, from the British point of view, was likely to fail anyway (George, 1998, p. 39) and would have limited the country in its global approach, Britain tried to maintain the special relationship it had forged with the U.S.A. during the Second World War. By maintaining its distance from Europe and the post war European integration project, Britain sought to perpetuate the notion it was different from the continent. Based on its links with the Commonwealth and the special relationship with the U.S., Britain hoped to maintain its independent status as a world power, while keeping Europe at arms length. The country only moved closer to Europe when it realised it could no longer afford to maintain the illusion of being a Great Power, without inflicting serious damage on its economy. It was the decline of the British Empire and the domestic economic troubles of the 1950s and 1970s, that forced British leaders to pay more and more attention to the European integration project. They did so reluctantly and without surrendering the notion of maintaining Britain's global role. This showed that Britain had not suddenly developed an enthusiasm for European integration, but had warmed to membership of the Common Market, simply because it wanted to become part of an economically successful club of continental Europeans. When Britain finally joined the European Community after two unsuccessful applications in 1973, it remained a reluctant player which never fully shared the idealism of the continental member states. In terms of its membership of the European Community, the UK has therefore 'often fallen behind and had no choice but to catch up' (May, 1999, p. 92). This has been the case under successive British governments, regardless of their political orientation. Only under the present, fundamentally pro-European Labour government, has a new debate about Britain's role in Europe gradually emerged, which focuses mainly on the controversial issue of British membership of the Single European Currency.

This chapter looks at the main reasons behind Britain's traditional reluctance to commit itself fully to Europe, and the changes the Blair government has made in terms of Britain's attitude towards the European Union.

The main factors to be considered are:

- The impact of Britain's geographically insular position
- Britain's unoccupied and victorious status during the two World Wars
- The unbroken tradition of the British state and its political system
- Relations with the former British colonies within the Commonwealth
- The special relationship with the United States

### **2.1. The geographical aspect**

Britain's island status has brought a number of advantages for the country, which is why most British people consider their country's geographic separation from the European continent as a positive attribute.

In contrast to its neighbours on the continent, Britain found it relatively easy to protect itself against foreign invasion, by establishing a powerful navy. While the continental countries depended for their security on standing territorial armies, Britain was free to commit the majority of its resources to the establishment of its role as a naval power with a relatively small, flexible army. This paved the way for the country to become a world power in the course of the 19<sup>th</sup> century (Sanders, 1990, pp. 17-21). Britain's island position allowed the country to keep its distance from any continental troubles and maintain a long period of peaceful and prosperous growth. In contrast its continental neighbours found their own development constantly disrupted by power politics and nation state rivalries. This is why most of Britain's continental neighbours traditionally aspired to form permanent, stable alliances with like-minded nations, to provide them with support in case their existence was threatened by a foreign aggressor. In comparison, Britain had the freedom to select the level of its engagement in Europe and around the world.

By forming temporary coalitions with other states, without becoming restricted by the obligations of membership in permanent alliances, Britain was able to focus on the development of its role as a world power with the realisation of its interests in various regions around the world (Young, 1997, p. 225).

Especially with regard to Europe, Britain had traditionally restricted its engagement to the maintenance of a balance of power among the European states. As long as the balance of power was equally distributed between the continental countries, Britain's leaders saw no need to commit themselves directly to European affairs and rather preferred to maintain a status of splendid isolation:

'They could not afford to concentrate only on European affairs: indeed, European affairs held a relatively minor position in their perceptions, except when continental European states threatened to disrupt the world order set up and maintained by Britain. British policy towards Europe throughout the nineteenth century and into the early twentieth century was to promote a balance of power on the Continent, such that no one state could dominate. If there were a threat of that balance being irrevocably tilted in one direction, the British counterweight was thrown into the other pan of the scale (...)' (George, 1998, p. 12)

Any intervention on the European continent was based on prudent and well-informed diplomacy on the part of the British, which would safeguard the effective upholding of the balance of power principle<sup>85</sup>. The main aim of this approach was certainly the prevention of the emergence of any threat to Britain's interests around the world. Although Britain was reluctant to engage itself in European affairs, it nevertheless remained vigilant towards the possible emergence of a predominant continental power.

The British were always aware that any state or group of states, which would seek to dominate the continent might 'enable that state either to weaken Britain's link with its Empire or to challenge its dominant commercial position in world trade' (Sanders, 1990, p.18). The major examples of such incidents, when Britain felt the need to intervene militarily, occurred during the Napoleonic period, when France increased its power in Europe and against Germany's attempts to dominate Europe in 1914 and 1939.

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<sup>85</sup> Luigi Barzini describes the British policy of selective engagement on the continent as a mixture between diplomatic efforts and military engagement, in which 'British statesmen (...), fully informed by their secret agents of what went on behind the scenes in foreign countries, managed to preserve the peace of Europe and the world (or, some said, occasionally provoked a small useful war) by relentlessly pursuing (or sometimes disrupting) the balance of power, with the unruffled steadfastness of the gambler who alone possesses a fool-proof scientific martingale.' (Barzini, 1983, p.44).

Britain's intervention on the continent during the First World War not only prevented German predominance in Europe but also allowed Britain to maintain its role as a world power, which had come under strain early in the 20<sup>th</sup> century. Britain's role as the leading naval power in the world had increasingly been challenged by Japan and Germany, who both managed to expand their naval powers significantly. Due to a parallel decline in Britain's manufacturing industry, the country found it increasingly hard to live up to the demands of its global role in financial terms. The fact that Germany had been defeated in the First World War and that Britain had emerged the victor, strengthened Britain's global role significantly. It had not only set limits to Germany's role as a naval power but had also expanded the British Empire, upon which Britain's economic stability depended. By taking over various colonies from Germany and Turkey, Britain managed to emerge from the First World War in a territorially strengthened position:

‘(...) by 1918 (...) Britain had emerged as one of the victorious powers, a Great Power quite prepared to extend its global role and international commitments.’  
(Sanders, 1990, p.21)

Britain's geographic position had left the country free from invasion during the War, and its soldiers consequently did not have to fight on British soil, but had helped to defend continental countries against German occupation. Because the country did not have to engage in post-war continental quarrels over territorial claims, it could continue to pursue its traditional approach of selective engagement towards Europe and focus on the establishment of a global, rather than a European order.

British support for the creation of a new international order based on international law and ‘new formal channels for co-operative diplomacy’ (Sanders, 1990, p.24), such as the establishment of a League of Nations, therefore became the priorities after WW1.

The fact that Britain continued to hold on to a global, rather than a regional European focus in its post-WW1 foreign policy, contributed to the British leaders' misjudgement of Germany's intentions after 1936.

The British assumption that Nazi Germany could be contained by a policy of appeasement backfired badly when Germany occupied Czechoslovakia and started to threaten Poland. Again, the balance of power on the continent was under threat from an expansionist Germany, which forced Britain to assume the leadership of the Allied forces resisting Germany. The outbreak of a second World War within a relatively short time, which again had its source on the continent, strengthened the British view that Europe was the source of all trouble. This perception thus dominated the immediate post-WW2 British policy towards continental Europe:

‘During the first half of the 1950s, on the other hand, continental Europe was mainly regarded by both British decision-makers, and public opinion as a source of trouble and the symbol of uncertainty and political crisis’ (Varsori, 1995, p. 15)

Britain had also suffered enormously during the Second World War, sustaining serious damage to its infrastructure during the German bombardment. Moreover and even more importantly, Britain’s traditional role as a trading nation had been undermined by the war, as most of Britain’s financial reserves had been liquidated in 1940. Nevertheless, although it had not been an ally of Nazi Germany, it remained the only major power in Europe, which had been spared the humiliating experience of German occupation. Like so many other European nations, Britain would have almost certainly been overrun by the might of the German military if it had bordered the continent. Britain’s island position could not save the country from the destruction caused by German bombs, but it nevertheless increased the British confidence in its *superiority* and independence. Especially as during the Second World War, Britain had been turned into an island of freedom in defiance of a Nazi occupied Europe.

Not surprisingly, from the British point of view, WW2 had therefore rather widened the gap between Britain and the European continent as it had proven that, unlike its continental neighbours, Britain could stand firm against any foreign aggression. In this respect, ‘the Second World War had reinforced the psychological de-Europeanization of the interwar period’ (Kaiser, 1999, p.8).

The rise of Nazi Germany had confirmed the traditional British suspicion about the sinister nature of the peoples on the European continent:

'Many Britons attributed all social disturbances to sinister outside influences. The political clashes, the high society scandals and the gruesome murders that occasionally filled the popular press were generally dismissed as "inexplicable", mostly owing to foreign importations, to French novels or German political theories' (Barzini, 1983, p.42).

The British therefore preferred to keep their distance from Europe and retreated to their traditional, almost casual xenophobia towards external influences from the 'troublesome' continent. In the aftermath of the Second World War, the fog in the channel between Britain and the continent consequently remained dense.

## **2.2 The victorious Great Power**

Britain had come out of the two World Wars as the only victorious nation in Europe and had successfully fought against German Nazism with the United States. Although Britain did not share the fate of most continental countries, which had their state structures extinguished by the German occupying forces, the impact of WW2 on British economy was profoundly adverse.

The damages inflicted on Britain's domestic infrastructure and the cost of the military involvement on the continent, fundamentally weakened the country's budgetary and economic performance<sup>86</sup>. Britain's main interest after 1945 was therefore the prevention of any further conflict in Europe, which would have seriously harmed the British economy and any prospect of recovery. From the British point of view, after the troubles of the two World Wars, the re-emergence of a dominant power on the continent had to be avoided at all costs. Britain therefore not only shared the French desire to contain Germany, but was even more interested in preventing possible Soviet hegemony in Europe. For British leaders, continued American military involvement in Europe was therefore essential to deter Soviet expansionism and build a new post-war balance of power on the continent

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<sup>86</sup> Wolfram Kaiser numbers the British payment deficit between 1939 and 1945 to have been approximately £10 billion, while British exports had been reduced by 30% in comparison to before the start of WW2 (Kaiser, 1999, p.1).

‘In order to counteract the influence of the USSR it was seen in the Foreign Office as essential that the United States be kept in the system as a significant actor’ (George, 1998, p.14)

The British leaders welcomed attempts to institutionalise the reconciliation of the former archenemies France and Germany, in a European framework, but they did not see a permanent role for their own country in such an integrated Europe. Contrary to the American desire that Britain should become the leading force behind European integration (George, 1998, p.15), Britain saw no need to get involved in a regional organisation which did not suit its interests and would only limit the country in its global approach.

In his famous speech at the University of Zürich in 1946, Winston Churchill confirmed the British support for the development of institutionalised European integration, but made it clear that Britain was willing to let France and Germany take the lead. While the latter two were considered to be regional powers, Britain still classified itself as part of the group of post-war world powers:

‘In all this urgent work, France and Germany must take the lead together. Great Britain, the British Commonwealth of Nations, mighty America, and I trust Soviet Russia - for then indeed all would be well – must be friends and sponsors of the new Europe and must champion its right to live and shine’<sup>87</sup>.

From the British point of view, a permanent engagement in an institutionalised European framework would have endangered its involvement in the first two of the three circles of British Foreign Policy interests, as they had been determined by the Churchill administration after the War (Kaiser, 1999, p.2; Sanders, 1990, p.1).

The first two of these circles, the British Commonwealth and the special relationship with the United States were considered to be more important to British interests than any involvement in the third circle, which constituted Europe and its integration project.

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<sup>87</sup> *Winston Churchill's speech at the University of Zürich, 19 September 1946, source: Gowland and Turner, 2000, p.8.*

They were the pillars upon which Britain tried to maintain its post-war role as a world power. Because British leaders continued to take a rather global approach towards foreign policy, they found it hard to share the motives for regional integration, which most continental European countries shared after WW2. The British certainly realised that the Second World War had harmed their economic and financial situation, but with regard to Britain's international standing, the focus was on continuity:

'(...) Britain in the post-war years, including the 1960s, was not in fact seeking a role. It thought that it already had one, that the world-wide nature of this role was long-established and well-known and that, while there had been evolutionary changes, there had been no break in the continuity of its performance.'

(Hibbert, 1993, p. 114)

The fact that Britain had not been defeated and occupied during any of the two World Wars played a big role in the British refusal to abandon its traditional foreign policy approach. Because Britain's fate differed so much from that of the continental countries, the notion of being different from the rest of Europe continued to prevail. The British attitude of 'us' and 'them' (May, 1999, p. 92) towards continental Europe therefore persisted. As a result, British leaders were quite happy to let the rest of Europe go ahead with the development of European integration without becoming involved themselves. For them, the most urgent issue was to secure the continuing presence of the U.S. in Europe, in order to provide peace and stability. Although Britain supported the reconciliation between the nations on the continent, especially between France and Germany, because it would help to re-establish peace and stability, the country's leaders saw no reason to share the continental enthusiasm for European integration:

'Unlike the countries of continental Western Europe who accepted, albeit with varying amounts of fear and trembling, the need to reform their relations down to the very rudiments of statehood, Britain remained attached to the stratagems that had not resulted in the humiliation of June 1940 for France and the disaster of May 1945 for Germany. Little wonder, then, that when Britain sought to make sense of membership of the EEC its trusted ways of thinking about the affairs of Europe

were unable to make sense of what was unfolding on the continent.’ (Keens-Soper, 2000, p. 178)

In contrast to the continental Europeans, who were very interested in creating a stable framework for lasting peace and economic stability, Britain stuck to its long-standing reluctance to engage in permanent co-operative alliances, which would inevitably involve the pooling of national sovereignty. The British leaders understood why the continental countries wanted to come together in such a institutionalised framework, but considered their own position to be too different from that of the defeated continentals. Britain’s victorious post-WW2 status had not only confirmed the notion of British diversity but even more so the feeling of superiority towards the defeated European continent. In the aftermath of the Second World War, Britain therefore tried to ignore the reality of its declining international influence and attempted to punch above its actual weight. Neither the British public nor its political leaders seriously considered the option of British membership of any institutionalised European framework, even though early membership of the EEC may have had a beneficial effect on the economic recovery of Britain. The Second World War had simply hardened the British view of their distinctness from the continent, to allow any permanent engagement in a European framework to become a serious option.

Wolfram Kaiser rightly points out that immediately after WW2, British European policy-making was characterised by a ‘mental barrier’ against anything European:

‘Whatever its economic merits, the mental barriers against closer British association with Western Europe, which were prevalent in the political class and the public at large should not be underestimated in their importance for European policy-making. The Second World War had reinforced the psychological de-Europeanisation of the inter-war period.’ (Kaiser, 1999, p.8)

As a result, Britain remained in a state of ‘complacent isolation’ (Denman, 1997, p. 292) and chose to refuse active involvement in the unfolding project of European integration. Instead, British leaders clung to the ambition to join the ranks of the United States and the Soviet Union as the new world powers in the post-war international order:

‘So by stressing her “diversity” in comparison with Europe, Britain was also asserting her role as a victorious nation. Even if many Britons felt the United Kingdom was losing ground in the international context in comparison to the role played by the US or the Soviet Union, there was at least towards the “continent” a reassuring superiority complex’ (Varsori, 1995, p.6).

Britain’s policy towards Europe after 1945 therefore was limited to partial engagement on an intergovernmental basis. Although British leaders considered the ties with the member states of the British Empire and the special relationship with the U.S. to be of greater importance than European issues, Britain still pursued a policy of selective engagement in Europe. The British post-war priorities were the containment of any possible Soviet threat against Western Europe and the stabilisation of the British national economy, as well as those of the continental countries. From the British perspective, these aims could be best achieved by limited co-operation between strong nation states in international organisations. The strong British engagement in the creation of NATO had its cause in the British desire to institutionalise the transatlantic military link with the U.S., in order to deter Soviet hegemony. Because the Europeans, even with British aid, were obviously incapable of deterring any Soviet military threat on their own. In this respect, both Britain and the United States shared a common goal, as both considered their national interests to be under serious threat should Western Europe fall under Soviet influence:

‘The long-run interests of both Britain and the United States would have been seriously damaged if Western Europe had succumbed to Soviet domination, leaving almost the entire Eurasian landmass under Stalin’s control.’

(Sanders, 1990, p.65)

Moreover, the British leaders supported enhanced economic co-operation between the Europeans through a liberalisation of their national markets. Unlike the continental countries, which wanted to link economic co-operation with political integration, Britain preferred limited co-operation on an intergovernmental basis only, with no long-term political commitments.

The British alternative to membership of the EEC, was the formation of a European free-trade area, the European Free Trade Association (EFTA) which was created in 1960<sup>88</sup>. This economic entity was established as an alternative to the continental project for European integration. It was conceived as a loose free-trade association, which would be open to the six founder members of the EEC, as well as any other European state. EFTA clearly expressed British priorities in contrast to those of continental Europe:

‘The major differences from the EEC were that there was no aspiration for the free-trade area to develop into a deeper form of economic integration, and it would have no common external tariff against the products of the rest of the world. It would be simply an agreement by the participating states to remove tariffs on trade between themselves.’ (George, 1998, p.27)

It was obvious Britain was ready to engage in international institutions, but only if they were loose and pragmatic in their approach towards international challenges.

As long as they did not endanger Britain’s freedom to act as an independent world power, or threaten its relations with the Commonwealth and the United States, Britain was ready to commit to such alliances. Due to the British scepticism towards visionary approaches, they could never share the enthusiastic pro-Europeanism of their continental neighbours. The general tendency to deal with problems in a pragmatic way, which is deeply embedded in the British psyche (Smith, 1995, p.2), made it difficult for the British to warm towards the strategic project of European integration:

‘Always the British want to know precisely what is meant by grand-sounding but vague phrases such as ‘supra-nationalism’ and ‘European Union’. To the other Europeans, as to the French on this occasion, such a response is usually seen as a sign of Britain being awkward, and adopting a delaying or even wrecking tactic. To the British it seems a prudent and pragmatic course to adopt before entering into commitments.’ (George, 1998, p. 21)

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<sup>88</sup> It was joined by seven non-EEC countries: Britain, Denmark, Austria, Norway, Portugal, Sweden and Switzerland but by none of the actual members of the EEC.

As a result, Britain continued to look out for alternative solutions which 'did not involve the pooling of sovereignty in supranational bodies, and (...) had to fit in with the US alliance and the development of the Commonwealth' (Young, 2000, p. 190).

EFTA ultimately proved to be an unsuccessful British venture to create an alternative framework for Europe. Contrary to British expectations, EFTA's economic performance proved to be disappointing in comparison with that of the EEC countries (Hibbert, 1993, p. 120). Britain had managed to split Europe into two alternative frameworks, one aimed at 'ever closer union' and the other focused on free trade and market liberalisation<sup>89</sup>. The disadvantage for Britain was, that it found itself 'in the unfortunate position of belonging to the smaller, weaker and less dynamic of the two' (Gowland and Turner, 2000, p.84).

If EFTA had been a success, Britain would not have come under increasing economic pressure by the end of the 1950s, and membership of the EEC would have almost certainly not become a serious option. However, the increasingly obvious gap in the economic performance of the UK and the member states of the EEC forced the British leaders to consider the option of British EEC membership. In comparison with most of the EEC member states, Britain's average annual economic performance remained poor throughout the 1950s. Between 1950 and 1956, Britain remained at the bottom of the league with regard to the economic growth of the major industrialised countries in Europe<sup>90</sup>. The global comparison did not present a better picture for Britain, as both in 1950 and 1960 the UK held the lowest rank in the world GDP ratings, even behind countries such as Iceland<sup>91</sup>.

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<sup>89</sup> Hugo Young describes the concept of EFTA as the British attempt to replace the EEC framework, a 'fierce and narrow concept with a softer, broader one, (...) an entirely different concept from the one the continentals had already expended massive political resources on trying to achieve' (Young, 1998, p.115).

<sup>90</sup> See table 5.1 in Sanders, 1990, p.144.

<sup>91</sup> Table 4.2., *ibid*, p. 117.

At the same time, while the British elite continued to hold on to the belief that the country could revive its economic fortunes through trade with the Commonwealth, it became obvious the British economy increasingly depended on trade with continental Europe:

‘Already by the late 1950s, economists both inside and outside government were coming to the conclusion that the economic problems that Britain was experiencing were due in good part to the pattern of British trade, which continued to be oriented much more to the Commonwealth than towards Western Europe at a time when the fastest growth in world trade was between industrialised states’ (George, 1998, p.28)

From the close of the Second World War, British trade with the European continent began to grow, resulting in a 5% rise in British imports and exports to EEC countries between 1948 and 1960 and a 30% rise up to 1971, two years before the UK finally joined the Common Market (Sanders, 1990, pp 150-151; Bulmer, 1992, p. 18).

The consideration of a possible British application for EEC membership therefore became almost inevitable for the British leaders, if they wanted to take into account the growing domestic pressures to reverse their country’s post-war economic decline. Connected with the growing realisation of their domestic economic troubles, was a fear the EEC countries might close their common market to non-member states such as the UK. Hence an ‘irrational form of *Torschlußpanik*, or ‘fear of exclusion’ (Nicholls, 1992, p.2) emerged among the British elite and led to a change of opinion on the possibility of EEC membership. Whereas immediately after the war membership had been considered potentially damaging for the maintenance of Britain’s global influence, it was now seen by many as an opportunity to provide their country with a new base for future ambitions as an independent power:

‘Economic arguments for joining the ‘common market’ were fitted into a picture in which, far from being compromised by involvement with new fangled institutions linked to woolly political notions, Britain’s position as an independent state would be refurbished by the stimulus of enlarged opportunities.

By helping to remedy its economic sluggishness, the 'common market' would strengthen Britain which would thereby be made more sturdily independent (...)' (Keens-Soper, 2000, p. 176-177)

The Lee report, produced by a senior civil servant committee in 1960, further strengthened those within the British government, who advocated British application for EEC membership. The report stressed the likely long-term negative effects on the British economy, if Britain continued to pursue the weaker EFTA alternative, especially if such a policy might effectively exclude Britain from joining the faster growing EEC Common Market:

'We have already been warned privately that . . . there is great uneasiness, amounting almost to dismay, amongst leading industrialists at the prospect of finding ourselves yoked indefinitely with the Seven and "cut off" by a tariff barrier from the markets of the Six' (Gowland and Turner, 2000, p. 91).

It also made clear that, if Britain continued to remain outside the EEC, the implications for Britain's international standing could be severely damaging in the long term. Especially with regard to Britain's post-war ambition to remain a leading power in the world. The Lee report painted a sombre picture if Britain continued to keep its distance from the institutional framework of the Six:

'The Community may well emerge as a Power comparable in size and influence to the United States and the U.S.S.R. The pull of its new power bloc would be bound to dilute our influence with the rest of the world, including the Commonwealth. We should find ourselves replaced as the second member of the North Atlantic Alliance and our relative influence with the United States in all fields would diminish (...)' (Ibid, p.91).

The gradual warming of the MacMillan administration towards an application for membership of the EEC, in the wake of the Lee report, can therefore be seen 'as the pragmatic but sometimes reluctant acceptance of changing realities'<sup>92</sup>.

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<sup>92</sup> Royal Institute of International Affairs, 1997, p.3.

Although the British leaders had not at all given up the traditional world power ambitions for their country, they had realised that contrary to their original belief, the unfolding framework of continental European integration was proving to be a success, at least in economic terms. Moreover, apart from the expected economic benefits British membership of the EEC would bring, British leaders had to accept the fact they could not continue to challenge a community which 'was a voluntary organisation – not a single state seeking domination' (Young, 2000, p. 194). Britain had to come to terms with the reality that the EEC was on the way to 'become Western Europe's leading political force' (Ibid, p.194). In spite of this, British leaders continued to pretend that, even as a member of the EEC, Britain could maintain its world power status and act as independently as before. From the British point of view, the structures of the EEC were not binding enough to prevent Britain from pursuing its traditional interests.

Faced with the necessity to join the EEC, the British elite tried to redefine the character of the Community as being mainly an economic organisation. In the House of Commons debate on EEC entry, Prime Minister MacMillan stressed that his government considered the EEC to be mainly an intergovernmental co-operative economic community:

'I must remind the House that the E.E.C. is an economic community, not a defensive alliance, or a foreign policy community, or a cultural community (...)

At any rate, there is nothing in the Treaty of Rome which commits the members of the E.E.C . . . . to any kind of federalist solution, nor could such a system be imposed on member countries'<sup>93</sup>

In contrast to the idea of the founding six member states, Britain therefore justified membership of the Community mainly through economic arguments and a belief it would help to restore Britain's leading role in Europe.

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<sup>93</sup> Statement of Prime Minister Harold MacMillan to the House of Commons, 31 July 1961, source: Gowland and Turner, 2001, p.98)

While most EEC member states saw the Community as a means to maintain peace and economic stability in Europe, British leaders believed EEC membership could be used 'as a political vehicle, a prospective power bloc in which Britain would be a leading element if she gained access' (Nicholls, 1992, p. 3). The idea that Britain could remain relatively uncommitted to the Community and at the same time seek to change its internal power structure was a miscalculation from the start. British global influence continued to wane throughout the 1960s, due to the weakening of the Commonwealth and the declining importance the U.S. attached to the bilateral relationship with Britain.

It had however been even more disillusioning for British leaders to have to find out that many of the EEC member states were rather lukewarm about the prospect of British accession to their European club. Britain had disappointed the initial high hopes of many continentals concerning a possible British contribution to the development of European integration after WW2.

Germany had formed a close partnership with France, mainly because it was depending on French good-will to help it reintegrate into the community of democratic nations and gain a positive international standing. The Franco-German axis determined many of the structural and procedural developments of the integration process. In contrast to the early stages of the integration process, where Britain would have been more than welcome as a leader and mediator between the former adversaries France and Germany, the situation had changed once the integration process had taken shape. France and Germany had reconciled their former differences and consequently the Franco-German relationship had become the motor of the integration process, based on close consultation and joint initiatives between the French and the German leaders. Both countries had shown a convergence of perceptions with regard to what needed to be done in Europe after the end of the War. Britain had in the meantime shown a reluctant, and at times even hostile attitude towards the Community of the Six and had therefore confirmed its reputation as a

difficult partner<sup>94</sup>. The need for Britain to act as a possible mediator within the Community had therefore vanished.

French president Charles de Gaulle was especially hostile towards the British bid for EEC membership. He not only feared that British membership could seriously threaten the leading French influence inside the Community of the Six (Young, 1993, p. 106), but was also convinced, British membership would gradually result in the *Americanisation* of the Community. De Gaulle thus considered Britain to be a 'trojan horse' (George, 1998, p. 35) which would gradually open up the EEC to increasing American influence and therefore threaten the development of a powerful integrated Europe, which could develop into the third global power besides the U.S. and the Soviet Union. When the French president had finally decided to veto the British application for EEC membership in 1963, he was self-confident enough to justify his unilateral move publicly.

In a statement at the Elysée palace, de Gaulle stressed that in his opinion, Britain was ill-suited for membership of the Community due to its tradition as an independent island power and leader of a global Empire, which was fundamentally different from the experiences of the six EEC member states. From his point of view, British membership would have turned the EEC into an overstretched, Atlanticist community, which would no longer possess an independent European character:

'England in effect is insular, she is maritime, she is linked through her exchanges, her markets, her supply lines to the most diverse and often the most distant countries; (...) She has in all her doings very marked and very original habits and traditions (...) It must be agreed that first the entry of Great Britain, and then these States, will completely change the whole of the actions, the agreements, the compensations, the rules which have already been established between the Six, because all these States, like Britain, have very important peculiarities ... it would

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<sup>94</sup> N. Piers Ludlow argues that, although most EEC member states, apart from France, were generally supportive of Britain's membership bid, they were still rather uneasy about 'Britain's reluctance to trust the policies and institutions of the Community' (Ludlow, 1997, p. 243). Consequently, Britain did not get much support from the other five EEC member states against the French reluctance to accept the British membership application in 1961.

appear as a colossal Atlantic community under American dependence and direction, and which would quickly have absorbed the community of Europe'.<sup>95</sup>

Because France had established a dominant position within the Community of the Six, as a result of the British decision to remain outside at its foundation, the other five EEC member states did not try to seriously challenge the French position. Although basically in favour of British membership, they were too reluctant to upset the arduously established balance of the Community. Whereas British leaders demanded exceptions from the *acquis communautaire* which had been established in the Treaty of Rome, the Six were unanimous in their conviction that any enlargement of the EEC should not alter the existing framework (Ludlow, 1997, p. 242). De Gaulle thus found it relatively easy to get away with his unilateral resistance towards the British membership application, as the other Community members were unable 'to reconcile their support for enlargement with their commitment both to the Community as it existed, and to close co-operation with the French' (Ludlow, 1997, p. 252).

Even more remarkable was the fact that De Gaulle managed to block British entry twice within a short period of time. The second British membership bid under the Wilson administration initially looked more promising, as the other five EEC member states 'were keen to resolve relations with Britain, and Britain was eager to end the division of Western Europe through the existence of rival trading blocs' (Young, 2000, p. 83). Moreover, other than in 1961, the second application was not complicated by British demands for exceptions with regard to the adoption of the *acquis communautaire*. This was mainly due to the fact that most of the Commonwealth countries were now less concerned about British membership than they had been in 1961, as their dependence on trade with the UK had diminished (George, 1998, p. 37). Once again, however, Britain misjudged the scepticism of the French president Charles de Gaulle.

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<sup>95</sup> Press conference of French president Charles de Gaulle at the Elysée Palace, 14 January 1963, source: Gowland and Turner, 2000, p. 106.

De Gaulle had offered the British government the prospect of French consent to British EEC membership, but only if Britain was ready to back a French alternative framework for the development of European integration<sup>96</sup>.

When the British leaked the French plans to the other EEC member states, de Gaulle felt confirmed in his view that Britain remained an unreliable partner and would seriously undermine French interests within the Community. Consequently, he vetoed the British membership application for a second time, this time arguing that the pound sterling would be too weak to be able to be integrated into the stable monetary group of the EEC countries' currencies:

'(...) monetary parity and solidarity are the essential conditions of the Common Market and assuredly could not be extended to our neighbours across the Channel, unless the pound appears, one day, in a new situation and such that its future value appears assured.'<sup>97</sup>

Britain did not have to wait long for more favourable conditions on the part of the French, as de Gaulle resigned only two years after he had vetoed British accession to the EEC for the second time. His successor, Georges Pompidou had been less concerned about British motives in Europe, which made a further application much easier for the UK. Negotiations for a third British application thus started in 1970, under the leadership of the pro-European Prime Minister Edward Heath and were concluded relatively quickly, with the UK finally becoming part of the Common Market on January 1<sup>st</sup> 1973. The decisive point for the success of the third British application was that, apart from the vigour with which the Heath administration pursued the membership bid, French resistance had declined markedly under Pompidou:

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<sup>96</sup> In a private meeting with the British ambassador Christopher Soames, de Gaulle had laid out his views on the future of European integration which would lead to 'a very different "Europe" from the EEC, a looser yet broader construct, with more pretensions and less invasions of national sovereignty that so offended Gaullist France' (Young, 1998, p.201). De Gaulle offered the British government the prospect of becoming a leading member state in this 'Gaullist' Europe, as long as the British government would support the French plans, which included the weakening of the transatlantic ties between Europe and the U.S. within NATO.

<sup>97</sup> Press conference by Charles de Gaulle, Paris, 16 May 1967, source: Gowland and Turner, 2000, p.123.

‘If Heath had been able to succeed where MacMillan and Wilson had failed, it was because of a change in French policy. Pompidou, perhaps because of his fear of Germany or a desire to spread the costs of the CAP, or maybe simply because he was not Charles de Gaulle, had decided to accept British membership after a decade of vain pressure from governments in London.’ (Young, 1993, p.112)

Britain nevertheless had a price to pay to finally turn its membership bid into a success. The EEC member states were still not ready to grant the UK any exemptions from the institutional and procedural framework of the Community. By the time of the third British application, the *acquis communautaire* of the EEC had grown immensely in comparison to the early 1960s:

‘There had been an immense accumulation of Community rules and precedents, even though half the decade had been spent, thanks to de Gaulle, in a condition of stasis (...) A great deal of this was absolutely non-negotiable. That stance was laid down from the beginning, and within three months the British accepted it.’ (Young, 1998, p. 227)

As a result, by 1973 Britain joined a Community which had been shaped along the lines of the interests of the six founding members and therefore did not really suit British interests (George, 1998, p.5). Britain’s relatively late accession meant that the Heath administration had to accept unfavourable membership conditions for their country, in order to bring the accession negotiations to a conclusion. Britain’s initial reluctance to become involved in the European integration process straight after the end of WW2 had resulted in the country paying a high price almost three decades later. British leaders had to accept budgetary arrangements<sup>98</sup> and policies (such as the CAP) from which their country would not benefit, but which would put an additional burden on the British taxpayer:

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<sup>98</sup> The British net contribution to the EEC budget amounted to £ 102.4 billion in the first year of British membership of the EEC. It was reduced in the following two years, but rose again sharply after 1976, amounting to £ 730 billion in 1976. (source: Gowland and Turner, 2000, document 8.3, p.159)

‘When Britain actually joined in 1973, the price had become even higher, and Britain was for a long time the only net contributor to the Community budget apart from the Federal Republic’ (Kaiser, 1999, p. 214)

Moreover, the prospect that the UK, as a member state, would swiftly be able to challenge this unfavourable framework, was rather remote. Almost sixteen years after the Treaty of Rome had come into effect, the EEC had developed its own internal rules and procedures, which made it almost impossible for a new member like Britain to take on a leading role in the short term.

Hence, the expectation on the British part, that most of the other EEC member states would want the new member state to take on a leading role within the Community was illusionary. While British leaders had originally expected to be able to use the Community for their own interests, similar to the way French leaders managed to pursue them, the reality as a member turned out to be quite different. Any attempt to fundamentally alter the Community structures met fierce French resistance and Britain could not expected to gain much support from other member states. Most of them, especially Germany, considered the consent of France as an indispensable basis for the stability and progress of the EEC and would therefore not seriously challenge French priorities.

Once inside the EEC, British leaders consequently soon had to realise

‘that her relatively late entry meant that she joined a Community in which *the economic interests of the original Six were already well entrenched and in which French and German political influence predominated*’ (Sanders, 1990, p. 160).

Even more fundamental for British domestic interests, the expectations with regard to the quasi-automatic economic benefits, that membership of the Common Market would bring, had also been far too optimistic. The Heath administration had tried to justify the unfavourable membership terms for Britain with the promise of significant economic benefits for Britain, once it was inside the Common Market:

‘The Heath government’s case for EC membership had relied heavily on the view that the dynamic benefits of membership in the form of faster growth and a more competitive British industry would outweigh the static costs of membership arising out of more expensive food and raw materials imports’ (Gowland and Turner, 2000, pp. 152-153).

In reality, however, these expectations did not materialise. British leaders had to realise they had joined the Common Market at an economically unfavourable time, as soon after British accession, most of the EEC national economies slid into recession.

While the average GDP of the EEC member states grew throughout the 1960s, it declined in the 1970s after the impact of the 1973 oil crisis and the collapse of the Bretton Woods U.S. dollar exchange system<sup>99</sup>. Britain’s hopes for a domestic economic revival as part of the previously booming Common European Market were consequently shattered:

‘The tragedy was that, shortly after Britain finally did accede to the Community in 1973, Community growth rates – for a variety of exogenous reasons ... fell sharply’ (Sanders, 1990, p.145)

The UK Government had therefore promoted accession to the EEC by promising the British people economic prospects which could not subsequently be realised, and this initial disappointment contributed significantly to the disillusionment that was to follow once Britain had become a member. British leaders deluded themselves ‘that membership would automatically deliver the political leadership of Western Europe to Britain and would spur the economic revitalisation of the British economy’ (Kaiser, 1999, p. 218). The fact that these priorities could not be fulfilled, undermined the positive expectations that had been instilled in the British public. Both the political elite and the public had only warmed towards membership of the European club because they expected to gain political influence and an economic boost. In contrast to the founding members of the EEC, Britain still saw Community membership as an opportunity to profit from a liberalised European market.

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<sup>99</sup> While the average annual growth rate of GDP in the EEC had stood at 4.2 % between 1960 and 1970, it fell to 2.6 % between 1970 and 1980 (source: Sanders, 1990, p. 145).

The financial disadvantages in the form of budgetary contributions and the pooling of national sovereignty were only accepted because they were expected to be outweighed by the supposed economic benefits of EEC membership.

It was therefore not surprising that within a relatively short period of time, a renewed domestic discussion about EEC membership emerged, as 'EC membership was (...) associated with economic dislocation and recession rather than growth' (May, 1999, p.95). As domestic economic growth remained low and unemployment was rising, the debate focused increasingly on the costs of Community membership, which had brought little benefit to Britain. Harold Wilson, was re-elected in 1974 on political platform, which promised to demand re-negotiations on the terms of the British membership of the EEC:

'(...) a profound mistake made by the Heath government to accept the terms of entry into the Common Market, and to take us in without the consent of the British people. This has involved the imposition of food taxes on top of rising world prices, crippling fresh burdens on our balance of payments, and a draconian curtailment of the power of the British Parliament to settle questions affecting vital British interests. This is why a Labour Government will immediately seek a fundamental re-negotiation of the terms of entry.'<sup>100</sup>

Once in government, Wilson did indeed manage to renegotiate a number of the British membership terms<sup>101</sup>. In spite of this, he could only appease the growing Euro-sceptic wing inside the Labour party, by at the same time committing himself to hold a public referendum on whether Britain should stay in the Community. As a result, after two unsuccessful membership bids and within two years of joining, the British people were asked to decide if they wanted their country to leave the EEC. Although 67.2% of the British people voted to stay inside the Community (Donoughue, 1993, pp. 203-204), Britain's problems with Europe did not disappear.

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<sup>100</sup> *'Let Us Work Together – Labour's Way Out of the Crisis'*, Labour Party general election manifesto, February 1974, source: Gowland and Turner, 2000, p.142.

<sup>101</sup> Wilson managed to achieve the establishment of a Regional Development Fund, from which the UK would benefit greatly and the introduction of a new principle of guaranteed refunds in case any one member state faced excessive net contributions to the EEC budget (Young, 2000, p. 116).

While the Wilson government had achieved some improvements with regard to the terms of British membership and had won the referendum vote, the fact remained the British people were still disappointed with the affects of British membership on the domestic economy.

They had decided to stay inside the Community, mainly due to the fear that Britain's dismal economic performance in the mid-1970s might worsen if the country was to leave the Common Market. EEC membership had thus become an unloved, but 'reassuring fixed point in the status quo' (Young, 1998, p. 289). In spite of the overwhelmingly positive outcome of the referendum on British membership, the sceptical attitude towards the EEC among the British public and the political elite continued to persist. The question of leaving the Community had been answered, at least for the foreseeable future, but anyone who expected the UK to become a more active member within the Community after 1975 was proved wrong:

'The referendum did not determine much. It settled the argument on British politics for a while. Not for some time was there any more talk, even from the serious anti-Europeans about getting out of the Community. The decisive vote seemed to be the end of that debate. At the same time, it was the start of almost nothing. It failed to ignite a new collective effort in the chambers of government to take positive advantage of the Europe connection. In terms of British policy, as opposed to Labour politics, it was almost as if the referendum had never happened' (Young, 1998, p. 299)

The main reasons for this continuing British uneasiness with its involvement in the continental European framework, were a mixture between the traditional pride of an (obviously declining) world power, and the disappointed hopes with regard to the economic benefits of the membership of the Common Market. As a victorious power, which had survived two World Wars, the Britain had never found it easy to integrate itself into a structural framework, in which it was obliged to pool some sovereignty with weaker continental countries, which had been defeated in the World War. British leaders therefore had to promote British membership of the EEC as a basically pragmatic step to strengthen Britain's economic standing and consequently, its international role.

The fact that these supposed benefits failed to materialise determined Britain's continuing reluctance to engage positively with the Community and hence prevented the country from taking a leading role:

'Arguably, it is because Britain was 'sold' EEC membership as a pragmatic step, and because the British people judge the results in these terms, that Britain has *not* become a leading player in the Community. It does not share the idealism of other members, and this has an important effect on how it fares.' (Young, 2000, p. 198).

In the wake of the 1975 referendum, British attitude towards Europe was thus characterised by an unholy alliance between Euro-sceptics from the left and right of the political spectrum. For more than a decade, this alliance would dominate the public discussion of European issues in Britain, supported by an anti-European tabloid press.

The European policy of the Labour government was made increasingly difficult by a growing anti-European wing within the Labour party, led by Tony Benn, who had become a strong opponent of British EEC membership. In alliance with the Eurosceptic trade unions, who considered the EEC to be run by big business, the Labour left tried to undermine any attempts of Wilson's successor, James Callaghan, to adopt a more active role in the Community. The strong left-wing opposition prevented the Callaghan administration from joining the European Exchange Rate Mechanism (ERM), created by Germany and France in 1978. Eventually it even helped to bring down the government after Britain had been shut down by trade union strikes during the winter of discontent in 1978. As Dennis Kavanagh describes it, a more positive role for Britain in Europe during the 1970s was prevented by the anti-European stance of the Labour leftwing and the major trade unions. Both considered British membership of the EEC as a barrier to the introduction of domestic socialist economic policies, which in their opinion, would have stopped Britain's economic decline. The left was therefore objecting to the loss of national sovereignty brought about by Community membership and which undermined Britain's democratic sovereignty:

'The Labour Prime Ministers Wilson and Callaghan, had to cope with opposition, mostly from the political left and some trade unions, who dismissed the EC as a capitalist club, hostile to policies of public ownership and controls on capital which a left-wing government might want to impose' (Kavanagh, 1996, p.74)

While the Britain of the 1970s, plagued by strikes and economic decline, had already been a difficult partner within the European Community, things became even more challenging after the country turned its back on Callaghan's Labour government. With the Conservative's general election victory in 1979, the new Prime Minister, Margaret Thatcher, turned Britain from a difficult into a truly awkward European partner.

While the Conservatives had been more pro-European than the Labour Party during the 1970s and Thatcher had been a supporter of British membership of the EC in the 1970s<sup>102</sup>, once in government, she used the British veto to rigorously defend Britain's national interests. The 'iron lady' based her government's European policy on a strictly intergovernmental, free-market model of the European Community and opposed any proposals which exceeded such a viewpoint. As a result, Mrs Thatcher vetoed decisions in central policy areas of the Community, especially with regard to the EC budget. With her brusque negotiating style, and the uninhibited demand of 'I want my money back' at the EC summit in Dublin in 1979, (Greenwood, 1992, p. 108), Mrs Thatcher ultimately managed to secure the financial rebate for Britain she desired. At the 1984 Fountainebleau summit, Mrs Thatcher secured a permanent rebate for the UK which consisted of 66% of the difference between the British contribution to the Community budget and the financial support the country received from the EC (Young, 1998, pp. 321-322).

Although Mrs Thatcher had been successful in securing Britain's financial interests, her uncooperative policy increasingly isolated Britain in Europe.

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<sup>102</sup> In her recent book *Statecraft*, Mrs Thatcher explains she had originally supported British membership of the Common Market for economic reasons: '*I continued to view the decision as necessary and right. It was clear to all of us that the conditions, particularly as regards fisheries and agriculture, could be criticised. But the wider economic benefits seemed to outweigh the drawbacks, and above all it was imperative to break through the European tariff wall so that our goods could be sold freely to the markets of the Six, with their 190 million consumers.*' (Thatcher, 2002, pp. 367-368).

While Mrs Thatcher had been co-operative in her attitude toward the Community after the Fontainebleau summit, relations with the EC increasingly deteriorated when the Delors Commission developed proposals for common European social policies.

The French Socialist Jacques Delors had taken over as Commission President in 1985. While Mrs Thatcher had initially managed to establish a working relationship with the new Commission president, especially during the creation of the Single European Act, after 1988 she distanced herself from Delors' attempts to deepen political and economic integration and to create an increasingly federal Community framework<sup>103</sup>.

Although Mrs Thatcher had co-operated closely with the French and German leaders on the development of the Single European Act in 1987<sup>104</sup>, which contained many integrative measures and was based on proposals made by the Delors' Commission, she remained deeply sceptical about the possible development of a federal Europe.

Mrs Thatcher feared the integrative trend encouraged by the Delors' Commission, would re-introduce traditional socialist policies, she had abolished in Britain, through the European back door. In her famous 1988 Bruges speech, Mrs Thatcher stressed her continuing opposition to any moves towards any sort of European super state and instead called for enhanced co-operation on an intergovernmental basis:

‘I want to see us work more closely on the things we can do better together than alone (...) But working more closely together does not require more power to be centralised in Brussels or decisions to be taken by an appointed bureaucracy (...) We have not successfully rolled back the frontiers of the state in Britain, only to

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<sup>103</sup> William Paterson stresses Thatcher had initially misjudged Delors real intentions. She had therefore agreed to the extension of QMV in the European Council, because she expected ‘that the decisions with Qualified Majority Voting could be limited to the Common Market’ (Paterson, 1999, p. 262). When Thatcher noticed that Delors and the other European leaders wanted to extend QMV to other areas, she withdrew her support and increasingly portrayed Delors as an enemy of the British national interest.

<sup>104</sup> For a detailed account of the negotiations that lead to establishment of the SEA see Moravcsik, 1991.

see them re-imposed at a European level, with a European super-state exercising a new dominance from Brussels.’<sup>105</sup>

Towards the end of her term in office, Mrs Thatcher became increasingly uncompromising and nationalist in her stance towards the EC institutions and other member states<sup>106</sup>. She therefore reinforced the perception among Britain’s partners that the country had turned from a reluctant European into an ‘awkward partner’.

The combination between Thatcher’s refusal to engage Britain in major policy areas of the Community and her constant preference for co-operation with the United States, especially in military terms, made Britain’s partners in the Community wonder if Britain really fitted into the European framework:

‘How could Britain play an appropriate role in Europe, and how could Europe fashion a role for itself in the world, if London continually questioned Community rules and sought to participate only in those aspects of Community activity that could be turned to national advantage?’ (Sanders, 1990, p. 293)

Even more disillusioning for Britain’s partners, was that the main opposition party in the UK did not oppose Mrs Thatcher’s anti-European stance. In fact, it took the Labour party more than a decade to overcome its own difficulties with Europe. In the aftermath of the 1979 general election, the Labour Party had finally been taken over by the anti-European left wing, which meant that a negative attitude towards British membership of the Community became the official party position. Already in its manifesto for the first elections to the European parliament in 1979, Labour had expressed serious doubts about the validity of continuing British EC membership, making it dependent on fundamental reforms of the Community structures:

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<sup>105</sup> Margaret Thatcher’s speech at the College of Europe in Bruges, 20 September 1988, source: Gowland and Turner, 2000, p.176.

<sup>106</sup> During the Commons debate on the European Council in Rome in 1990, Thatcher illustrated her iron resolve against plans of the Delors Commission to expand its powers by uttering her famous three ‘noes’: ‘The President of the Commission, Mr Delors, said at a press conference the other day that he wanted the European Parliament to be the democratic body of the Community, he wanted the Commission to be the Executive and he wanted the Council of Ministers to be the Senate. No. No. No.’ (Gowland and Turner, 2000, p. 184).

‘We declare that if the fundamental reforms contained in this manifesto are not achieved within a reasonable period of time, then the Labour Party would have to consider very seriously whether continued EEC membership was in the best interests of the British people’<sup>107</sup>

It only took two years for the Eurosceptic left to convince the rest of the party that continuing British membership of the EC would in the long run only hamper the realisation of a socialist alternative to Thatcherism at the domestic level.

As a result, as early as 1981 the Labour Party decided to officially campaign for British withdrawal from the EEC, a pledge which became a part of the 1983 general election manifesto. The small group of deviants, which had opposed the party’s shift towards Euroscepticism, left Labour and formed the pro-European SDP to provide an alternative to the rigid anti-Europeanism of the two major parties<sup>108</sup>.

Like Mrs Thatcher, who feared the deepening of European integration would hamper the free-market reforms she had introduced into Britain; the Labour Party of the early 1980s believed the EEC would prevent the party from introducing *dirigiste* domestic economic policies, once it had returned to power. Although for different reasons, the Euroscepticism of the Thatcher administration and the Labour Party was based on a nationalist attitude, characterised by the fear that national sovereignty might be lost, especially with regard to the British economy.

In the case of the Labour Party,

‘Euro-scepticism was reinforced by the party’s broad support for some form of national Keynesianism, and the belief that Europe would interfere with the collectivist, interventionist, protectionist and statist economic policy outlined in even the mildest form of the Alternative Economic Strategy (...) After 1979, the Labour mainstream rejected Europe in the belief that Britain, indeed any European

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<sup>107</sup> Labour Party European Election Manifesto, 1979, source: Gowland and Turner, 2000, p.163.

<sup>108</sup> In an article on the legacy of the SDP, one of the main founders of the SDP, Sir David Owen, explains that he abandoned the Labour Party in 1981 because of the ‘suicidal political stance on defence and Europe’ (Owen, 2000, p. 167).

nation-state, should be free to pursue its own economic and industrial policies.’  
(Heffernan, 2000, p. 391)

Labour only started to re-think its attitude towards Europe when it became obvious that its return to power would not happen swiftly. Labour had to realise that the support of the British people for the policies of Thatcherism, was greater than they could have imagined, leading to the re-election of the Conservatives at two consecutive general elections, in 1983 and 1987. As a result, Labour not only gradually abandoned its interventionist stance but also started to warm towards the Community.

After the 1997 general election defeat, the disillusioned Labour Party and trade unions, which had been deprived of a great amount of their former influence by the Thatcher administration, started to consider the European Commission under the leadership of the French Socialist Jacques Delors as an ally in their opposition against Thatcherist policies at home.

Mrs Thatcher’s open hostility towards the proposals of the Delors’ Commission, gave the Labour Party a new channel for its opposition against the Prime Minister’s domestic policies<sup>109</sup>. Just as much as Labour had once considered EEC membership to be a hurdle to the establishment of national economic policies, now it equated opposition to Thatcherism with a pro-European stance:

‘Largely, though not entirely, because Mrs Thatcher was anti-Europe ... Labour became pro-Europe. Because Thatcherism dominated the power structure of Britain, socialism, as it was still called, sought and found another outlet’  
(Heffernan, 2000, p. 394)

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<sup>109</sup> Especially the European Social Chapter, which had been developed by the Delors Commission in 1988 was fiercely opposed by Thatcher, as she considered it to be a return to the policies which the British people had rejected in three consecutive general elections. In contrast, the Labour Party considered it to be very much in line with its own ideas, which ‘made it very difficult in the early 1990s to raise a loud voice within the Labour Party against the EC without appearing to be in sympathy with the social policies of Thatcherism’ (George and Rosamond, 1992, p. 180).

While Mrs Thatcher's stance towards the Community hardened as the 1980s drew to a close, the Labour Party turned more and more towards Europe and fought both the 1992 and the 1997 general elections on a broadly pro-European manifesto. The main public debate about the costs and benefits of Community membership, however, continued to be dominated by a nationalist, even xenophobic tone, which regarded European integration as the 'surrendering' of national sovereignty<sup>110</sup>.

Fuelled by the right-wing tabloid press and Eurosceptic Conservative right<sup>111</sup>, the British public continued to perceive Europe as a threat to British interests. Especially when the enlarged, reunified Germany became a constant target of the Thatcherite elements in the Conservative Party and media. Mrs Thatcher herself had been extremely concerned by the notion of German reunification and had tried to use her diplomatic skills to slow down the process. As part of the British generation who had witnessed the impact of WW2, Mrs Thatcher perceived the Germans as troublemakers, who had incorrigible character weaknesses, which threatened the peaceful existence of other nations in Europe:

'Since the unification of Germany under Bismarck (...) Germany has veered unpredictably between aggression and self-doubt (...) The true origin of German *angst* is the agony of self-knowledge (...) Germany is thus by its very nature a destabilising rather than a stabilising force' (Thatcher, 1993, p. 791)

Mrs Thatcher's personal view appears to have been that a unified Germany would in the long run use its economic might to take over Europe by stealth, by hijacking the European integration process – thus realising the goal it had failed to achieve through

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<sup>110</sup> Thatcher's Deputy Prime Minister and Foreign Secretary Geoffrey Howe, who resigned in 1990 because of growing disagreement with Thatcher's European policy, accused the Prime Minister in his resignation statement of continuing to base her attitude towards the European Community on an outdated nationalistic view of sovereignty: 'We commit a serious error if we think always in terms of 'surrendering' sovereignty and seek to stand pat for all time on a given deal – by proclaiming, as my Right Hon. friend the Prime Minister did two weeks ago, that we have 'surrendered enough' (Gowland and Turner, 2000, p. 185)

<sup>111</sup> Two prominent examples are *The Sun's* reactions to Commission president Delors' proposals on the creation of a single European currency at the 1990 EC Council in Rome, which the paper commented with 'Up yours, Delors' (Young, 1998, p.367) and the portrayal of former German finance minister Oskar Lafontaine, who advocated the harmonisation of economic policies, as the 'most dangerous man in Europe' (The Sun, 25 November 1998).

military means in WW2. These views were not publicly expressed by Mrs Thatcher, but by her Trade and Industry Secretary, Nicholas Ridley, who later had to resign. In an interview with the *Spectator* in July 1990, Ridley expressed the Prime Minister's fears about the real agenda of the Germans in Europe:

'This is all a German racket designed to take over the whole of Europe. It has to be thwarted (...) When I look at the institutions to which it is proposed that sovereignty is to be handed over, I'm aghast (...) I'm not against giving up sovereignty in principle, but not to this lot. You might just as well give it to Adolf Hitler, frankly'<sup>112</sup>.

Mrs Thatcher broke the taboo to openly fuel xenophobic sentiments under the pretext of trying to defend the British national interest, a tendency which was welcomed by the right-wing tabloids and Eurosceptic wing of the Conservative Party, even after she had stepped down as Prime Minister. Mrs Thatcher therefore left a legacy which had made it socially acceptable to use abusive language when dealing with the EC and Britain's continental partners. As a result, 'the negative rhetoric of politicians for long reinforced the public's negative perception of the EC' (George, 1993, p. 184).

John Major, Mrs Thatcher's successor, had to learn the hard way how much Mrs Thatcher had influenced the European attitude towards his own party and the general public as a whole. Although at the start of his premiership, Major had announced that his government would place Britain 'at the very heart' of Europe (Young, 1998, p. 424), he soon had to realise he was leading a party and government which was hopelessly divided over the question of Europe.

The Major administration's European policy was constantly undermined by the Thatcherites within the government and the party, who opposed any retreat from Thatcher's hardline stance towards Europe.

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<sup>112</sup> Interview with Nicholas Ridley, Trade and Industry Secretary, *The Spectator*, 14 July 1990, source: Gowland and Turner, 2000, p. 178.

The ‘bastards’, as Major called them, prevented him from developing an unambiguous stance for Britain in Europe and even forced him to temporarily stand down as party leader in 1995, in a vain attempt to restore his authority<sup>113</sup>.

Other than Major, who was basically pro-European and would have been cautiously ready to engage Britain further in Europe, the Eurosceptics in his party followed Thatcher’s perception of the European Community as a Franco-German plot to take over Britain by stealth. John Redwood, who had challenged Major for the leadership in 1995, has repeatedly made clear that in his opinion, Britain should not concede any more of its sovereignty to the European level and should especially resist any calls to join the Single European Currency:

‘Monetary union has to be seen in the context of a wish to create a superstate with wide-ranging governmental powers over a whole number of policies. (...) if we abolish the pound, we make a decisive move towards a country called Europe, governed from Brussels and Frankfurt’ (Redwood, 1997, p.33, see also Redwood, 1999, p. 170)

Contrary, to John Major’s original intentions, during his period in office, the perception of ‘us’ against ‘them’ on the continent became even more deeply engraved in the British psyche. Major had not proven to be a strong enough leader to alter Thatcher’s European legacy, or to challenge the one-sided domestic debate<sup>114</sup> about Europe. With regard to European policy, the end result of his premiership was therefore rather bleak, as it had disappointed the hopes of many of Britain’s partners that the country might engage more openly within the Community in the 1990s:

‘(...) the British made themselves pretty much detested, certainly ignored, by the leaders whom Major had once imagined he would join at the heart of Europe (...)

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<sup>113</sup> Although it had been widely expected that Michael Portillo would challenge Major for the leadership in 1995, it was Eurosceptic John Redwood who finally stood against Major as the candidate of the Eurosceptic right within the party and the government (Clark, 1998, pp. 519)

<sup>114</sup> Roy Denman stresses that this debate is largely dominated by a right-wing tabloid press which deliberately misinforms the British public about the EU. Therefore, in order to ‘brainwash the chattering classes, their newspapers treat the European Union in much the same way as *Pravda* dealt with the United States at the height of the Cold War.’ (Denman, 1997, p. 292)

What could be said for Major was that, in his error, he himself had exhibited a certain historical constituency. Most of his predecessors would have recognised his problem – though vacillation, the chronic disease, took none of them as close to the heart of darkness.’ (Young, 1998, p. 470-471)

During 18 years of Conservative leadership, Britain’s attitude towards European integration and the EU had become increasingly negative and characterised by a ill-informed, one-sided debate. Whereas, in the pre-Thatcher era, a balanced debate about the costs and benefits of British membership of the Community could take place, (e.g. during the campaign for the 1975 referendum), by the mid-1990s, debate was being stifled by the persuasive view that the Community was an enemy, led by a sinister coalition of bureaucrats (Kaiser, 1999, p. 223).

As a result,

‘By 1996 it was hard to argue that the domestic debate about Britain’s place in Europe had not deteriorated to a level of ill-informed dogma. A virulently anti-European press- much of it under non-British ownership – found EU-bashing to be a comfortable and even popular theme.’ (Peterson, 1997, p. 29)

Britain had therefore failed to make the transformation from a victorious Great Power, into a leading European partner, willing to share sovereignty within the Community framework on an equal basis. As the 21<sup>st</sup> century came closer, Britain was still engulfed in its traditional perception of being *different* from the rest of Europe, and continued to be plagued by fears of foreign domination. The legacy of Britain’s post-war status as a victorious nation over Nazi Germany is still lingering today, even five years after the Conservatives have lost power and one year into the second term of a pro-European Labour government.

Although the leading figures of the Blair administration have established a more positive tone towards Europe and show few of the prejudices of their Conservative predecessors, the present government has not yet found a way to warm the British public towards European integration.

Public scepticism in Britain towards Community institutions and the general aims of the integration process remains high and the country will therefore have some way to go before it has finally arrived in Europe with its heart and soul.

For now, the public debate about Europe is still characterised by traditional 'delusions of grandeur' (Denman, 1997, p. 293), resulting in a belief that as a significant power, Britain can shape Europe through negative rather than positive actions:

'The conviction of the British government in the 1930s that nothing could happen in Central Europe without its permission, finds a parallel in the conviction since the war of successive British governments, that we should be acting on the world stage a Parmlerstonian role quite beyond our resources. Recently, the conviction has become one that nothing in the European Union can happen without our permission. As Chancellor Adenauer said, after the Second World War, Britain reminded him of a millionaire who had lost his money but did not know it.' (Ibid, p. 293)

### **2.3. The unbroken tradition of the British state**

Closely connected with the fact Britain had emerged from the two World Wars as a victorious nation is the unbroken tradition of the British state and continuous development of the British political system. Contrary to most continental European states, which went through repeated periods of constitutional change, the British state was allowed to evolve in a relatively unbroken development. England, the birthplace of parliament, and which developed the constitutional and legal framework of the British state, has not been invaded successfully since 1066.

As a result, the constitutional, political and legal framework of the British state was allowed to evolve in a gradual, continuous process of development. While most

continental countries repeatedly faced the destruction of their state institutions either through invasion, revolution, coups d'état or dictatorship<sup>115</sup>.

Apart from the Glorious Revolution, which represented a relatively harmless uprising of Parliament and whose impact cannot be compared to the ferocity of the French revolution between 1789 and 1799, the British state was allowed to evolve in relative tranquility. Whereas political and constitutional change on the continent has always been driven by political radicalism, Britain's mainstream political culture never embraced extreme or radical tendencies.

That is why political movements on the extreme left or right of the political spectrum never stood a realistic chance of gaining power in Britain, let alone even gaining representation in parliament. Other than in most continental European countries, where Communist and right-wing parties are a part of the political spectrum of parliament<sup>116</sup>, not a single extremist party holds a seat in the House of Commons. As a result, the British people have come to consider their democratic system as superior to that of other nations, as it has not shown any of the turbulence and instability repeatedly witnessed on the European continent:

'Measured by the standards of duration, absence of violent commotions, maintenance of law and order, general prosperity and contentment of the people, and by the extent of its influence on the institutions and political thought of other lands, the English government has been one of the most remarkable in the world ... The typical Englishman believes that his government is incomparably the best in the world. It is the thing above all others that he is proud of. He does not, of course, always agree with the course of policy pursued ... but he is certain that the general form of government is well-nigh perfect.'<sup>117</sup>

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<sup>115</sup> Such as the French revolution in 1789, the Franco dictatorship in Spain and the Nazi dictatorship in Germany in the 1930s.

<sup>116</sup> Even Germany, which had been an exception when it was still divided into East and West, because no radical left-wing party was represented in the West Germany *Bundestag*, has since unification turned to political normality with the former Communist East German PDS having been represented in each parliamentary term since 1990.

<sup>117</sup> Professor Lawrence Lowell in *Government of England* (1908), quoted in: Barzini, 1983, p. 43.

Because it was allowed to evolve undisturbed, the British state, in contrast with its continental counterparts, could also do without a written constitution. Not being given the privilege of continuity, most continental countries depended on the establishment of a written constitution as the basis for the re-foundation of democratic state structures after revolutions, wars and other influences, which had caused former structures to collapse<sup>118</sup>.

The British state has up to now managed to function smoothly without the need for a written constitution, like the German *Grundgesetz*, which determines the division of powers within the state; the rules and regulations of the political process; as well as defining the different qualities of constitutional law and simple acts of parliament in a single document<sup>119</sup>. Based on the principles of parliamentary sovereignty and the rule of law, the British state does have some written constitutional arrangements, but they are not combined into a single document. Because legislation passed by parliament binds any other body of the British state, all acts of parliament are de facto constitutional law and are consequently part of the British constitution. The British state is thus best described as being based on 'a part written and uncodified constitution' (Norton, 1998, p. 214), many elements of which have evolved in a gradual, customary way, and which generally lacks 'systematic and hierarchical order' (Sturm, 1998, p. 194).

As a unitary state, in which the centre of power rests with parliament, without any independent, powerful regional subdivisions (such as the German *Länder*), Britain can allow itself the freedom to go without binding written rules for the division of power within its state structures.

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<sup>118</sup> Good examples for continuous continental change are France and Germany, which both changed their state structures repeatedly by developing new written constitutions. France has already gone through five different republican structures and is now in the process of considering a renewed change of its constitution due to growing dissatisfaction of the French public with the political system. In Germany, the written constitution of the Weimar Republic did not manage to safeguard the democratic system against political extremism from left and right which is why the post-WW2 West German *Grundgesetz*, which is still Germany's written constitution today, includes detailed rules and regulations with regard to the powers of state institutions and the political process as a whole.

<sup>119</sup> For a detailed account of the German state structures as set out in the *Grundgesetz* see Maunz and Zippelius (1998).

An almost natural result of the unbroken continuity of the British state and its institutions is the existence of a strong patriotism among the British public for the major institutions of the state and the monarch. Although, like in most other Western European countries, the British people show an increasing amount of disillusionment with the effectiveness of the political process and the way public institutions work<sup>120</sup>, an essentially strong patriotic bond between the British public and the institutions of the British state remains. Although the public patriotism for the major British institutions, such as parliament and the monarchy, are mainly due to their symbolic importance with regard to British national sovereignty, it represents the basic reason for the British reluctance to integrate into supranational frameworks.

Due to the fact that the British state has never seen any revolutionary changes comparable to those that occurred in continental Europe, the unwillingness of the British public to accept any substantial alterations to the structure of the British state remains deep-seated:

‘Britain never had a serious, house-clearing revolution. The Royal Family, the Church, the law, the army, the City, the land owning class, inherited money and their concentric circles have continued without a radical break for centuries. The result has been that Britain has largely become a cosy backwater, a backslapping, eighteenth-century type oligarchy, its boardrooms stuffed with clapped-out politicians, Foreign Office retreats and sundry cronies of the Establishment’ (Denman, 1997, p. 289-290)

Any attempts to transfer powers from the British political centre in Westminster to an external organisation or institution, such as the European Union, has consequently traditionally met resistance in Britain<sup>121</sup>.

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<sup>120</sup> Andrew Marr describes this process as ‘the failure the British state to evolve into a popular modern democratic society’, which has led to ‘the unpopularity of British political culture and our institutions, which seem so often the property of the “top ten thousand” of politicians, hacks, fixers and officials’ (Marr, 1999, p. 206).

<sup>121</sup> In this respect it is important to note that a differentiation between the different regions in the UK has to be made with regard to the reluctance to transfer national sovereignty. Wales and especially Scotland have traditionally found it easier to agree to the pooling of sovereignty on the European level, mainly because European integration was seen as way of gaining more regional independence from London. Under a new system of devolution introduced by the Blair administration, Scotland and

The ongoing debate about the Single European Currency shows more clearly than ever, how important state symbols are to the British. An essential element of the discussion of the pros and cons of British membership of the Eurozone therefore continues to focus on the question of loss of national sovereignty, if Britain should decide to give up its own currency<sup>122</sup>. Even the issue of the display of the British monarch's portrait on the currency, which is irrelevant for most other European countries, has become an issue in the British debate.

From the British point of view, deeper political and economic integration, which involves the pooling of national sovereignty, is therefore still largely considered a major risk for national independence, and the 'birthright of freedom and democracy' (Redwood, 1999, p. 8).

Due to the fact the British state structures, including the political system, are fundamentally different from those on the continent, Britain finds it harder to integrate into the continental European framework than other EU member states (Kaiser, 1999, p. 213). While coalition politics is a common element of most continental political systems, the British system of first-past-the-post nearly always produces clear one-party majority governments. British politicians are hence not used to the need for consensus politics, which is essential to make coalition governments work and involves constant compromise and regular consultations between the partners in government.

Unlike their European counterparts, who are well versed in the constant bargaining, which is required by systems of proportional representation, British leaders find it hard to adapt to the rules of a supranational organisation like the EU, in which interstate bargains are a daily part of business.

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Wales already have greater independent possibilities to make their voices heard on the EU level (see Bogdanor, 1999, pp. 276-287).

<sup>122</sup> As Margaret Thatcher, who has become the self-appointed guardian of the British pound, puts it in her latest publication: 'The power to issue a currency is a fundamental attribute of sovereignty, not some symbolic or technical matter. Indeed, it is not for nothing that in past centuries infringement of that right by counterfeiters was reckoned as something akin to treason and punished accordingly.' (Thatcher, 2002, p. 351)

Used to clear-cut decisions which are supported by the majority of the governing party and opposed by minority opposition parties, the British consider the way the EU works as a constant process of being forced to give way to the demands of other member states:

‘An island power, with a strong national identity and a strong parliament, will never find it easy to accept the ideal of ‘closer union’ and a powerful European parliament (...) Neither are British ministers used to sharing power with members of other parties, still less with members of other national governments (...) Unused to permanent involvement in continental affairs, Britain has found it difficult to adjust to the ‘continuous renegotiation’ demanded by Community membership, and often treats the European Community as something “alien” ’ (Young, 2000, p. 199)

The traditional post-war failure of the British public and its political leaders to share the visionary continental enthusiasm for European integration, therefore has its roots in the fear that the whole project will lead to the abolition of the nation state and consequent decline of British sovereignty. This is illustrated by the British Eurosceptic portrayal of the integration project as a new form of dictatorship, which in the end pursues the same goal as Nazi Germany, i.e. the replacement of individual democratic nations by an unaccountable super-state:

‘Today, among the anti-European writers in Britain, these visionary continental politicians are tarred with a totalitarian brush. It is suggested that the European Union is an anti-democratic conspiracy based on pan-European thinking developed by the SS’ (Marr, 1999, p. 173)

In spite of the growing public dissatisfaction with the efficiency of British institutions, especially parliament, the British have not yet given up the glorification of these institutions as symbols for British national independence.

Moreover, the traditional British reluctance to change, continues to persist, which is why an open and honest debate about the possible benefits of the transfer of power to Brussels has not yet really taken place<sup>123</sup>. The debate continues to focus on the negative aspects, which results in Brussels being portrayed as an intruder into British public life and national political decision-making. Britain's future position in Europe will thus largely depend on a change of attitude amongst the British public and elite towards the pooling of national sovereignty on the European level. An honest and open public debate about the pros and cons of European integration will then of course still rightly result in criticism of EU procedures and policies, but it might bring Britain closer towards the more relaxed continental attitude towards the integration project.

#### **2.4. The British Empire**

One of the most important factors which may explain why a large part of the British public and elite still consider their country to be different from the European continent, is Britain's past role as a successful colonial power. The scale and extent of Britain's historic global Empire, out stripped any other European country's achievements.

As head of a Commonwealth founded in 1931, Britain managed to maintain its position as the leader of an association of ex-colonies and sovereign nations, until the mid-1950s, when trade relations within the Commonwealth began to decline. British leaders had considered the economic and political ties with the Commonwealth, as crucial for the maintenance of Britain's status as a world power. The top priority of British foreign policy had therefore been to hold its former Empire together, and to avoid any commitments to other international organisations which might endanger relations with the Commonwealth:

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<sup>123</sup> Roy Denman mainly puts this down to 'the reluctance of an old-fashioned society, opposed to change, to recognize great changes in a world which might be nearby, but not one in which it felt at home.' As a result, a general view in Britain persists which holds on to 'a conviction that British institutions are the best in the world and cannot possibly be changed.' (Denman, 1997, p. 294).

‘(...) the Commonwealth was seen as being an “important buttress” of Britain’s world position. This was because Britain was not only the founder, but also the “central pivot” of the Commonwealth, and because the association was thought to depend so heavily on *British* “care and initiative” ‘ (Butler, 1993, p. 161)

Especially in the aftermath of the Second World War, in which Britain had been financially and economically weakened, economic relations with the Commonwealth became crucial for the revival of the British economy and the country’s ability to exercise its influence around the globe. Low trade tariffs between Britain and the Commonwealth countries, as part of the imperial preference system created in Ottawa in 1932, as well as the sterling zone currency union, which included non-Commonwealth countries, helped Britain to mask its post-WW2 economic decline:

‘In the early post-war years of food, raw materials shortages and dollar deficits, this system offered such an assured market to British exports and also access to cheap food and raw materials that British policymakers were determined to resist any American attempts to dismantle it in return for dollar aid.’ (Gowland and Turner, 2000, p. 62)

Between 1952 and 1956, Britain’s average trade per annum with the countries which were part of the sterling area accounted for 46% of all exports, and with the Commonwealth countries in general up to 48% of Britain’s annual average.

In comparison, total annual average trade with the countries of the ECSC during the same period amounted to only 12% and 35% with the rest of the world<sup>124</sup>. Apart from the political significance the Commonwealth held for Britain’s role as a world power, the economic importance must therefore not be underestimated. Because trade with the Commonwealth was based on favourable trade tariffs for Britain at a time when a global dispute about trade tariffs was taking place,

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<sup>124</sup> See table 4.6a in Gowland and Turner, 2000, p. 73

‘British trade with the Commonwealth was stimulated by the remaining preferences and provisions of the Sterling Area, which favoured trade transacted in sterling.’ (Kaiser, 1999, p. 4)

In contrast, in the immediate post-WW2 period and before the creation of the Common European Market, trade between the continental European countries was still not attractive for Britain as discriminating national trade restrictions had not yet been removed. Until the mid-1950s, the Commonwealth circle, as defined by Churchill as part of the UK’s three post-WW2 circles of foreign policy interest, consequently had much greater importance for Britain than the other two, the special relationship with the U.S. and continental Europe. Initially, British leaders had even considered the establishment of the Commonwealth as a third world power besides The U.S. and the Soviet Union, an idea which was abandoned soon after as it was considered to be illusionary when measured against the real global post-war political situation<sup>125</sup>. It was only when trade relations with the Commonwealth declined after 1955 that Britain’s leaders started to shift their focus. The combined development of a growing number of former Empire countries gaining national independence<sup>126</sup>, and a shift in Britain’s export patterns towards Western Europe and the United States had the effect of repositioning British foreign policy priorities.

A trend toward greater independence among Britain’s former colonies fuelled by ‘national movements... – with their views clearly articulated by a new post-war generation of third-world intellectuals’ (Sanders, 1990, p. 133), undermined British influence within the Commonwealth. As a result, British leaders came to realise that Britain would not be able to maintain its central position within a Commonwealth, whose members were increasingly developing their own economic ties across the globe and were thus less likely to focus their attention on Britain (Kaiser, 1999, p.5).

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<sup>125</sup> Ernest Bevin had elaborated the idea in 1948 as an attempt to combine the ‘tremendous resources, which stretch through Europe, the Middle East and Africa, to the Far East’, which would result in bringing together ‘resources, manpower, organisation and opportunity for millions of people’. (Bevin’s Western Union speech, January 1948, source: Gowland and Turner, 2000, p. 68).

<sup>126</sup> Between 1956 and 1974, 34 former British colonies became independent (Sanders, 1990, table 4.1, pp. 106-107).

The British assumption that the Commonwealth could help to maintain its traditional role as a world power, leading a global alliance, even in the altered post-WW2 economic and political environment consequently turned out to be an illusion:

‘Britain was no longer a world power but a “Power with world-wide interests”, and was no longer at the centre of a huge trading empire but managing the “wasting asset” of Commonwealth preference. Furthermore, the opportunity for British leadership of the Commonwealth was rapidly diminishing, to leave an organisation that was politically sometimes “more of an embarrassment than an asset” and that was fast losing the image of a white man’s club under the impact of the second wave of decolonisation (...)’ (Gowland and Turner, 2000, p. 65)

At the same time, the focus of Britain’s trade started to shift from the Commonwealth towards North America and Europe. Between 1955 and 1965 British exports to Western Europe and the U.S. rose by £1.39 billion, while total exports to Commonwealth countries only rose by £403 million<sup>127</sup>. In general, British exports to non-sterling countries between 1952 and 1956 amounted to more than four times the number of British exports to countries which were part of the sterling zone<sup>128</sup>. The figures continued to grow after 1955, so that by 1965 more than half of British exports went to Western Europe and the U.S.<sup>129</sup>, a clear indication of a major change in the U.K.’s trading patterns. In 1968, the currency union of the Sterling area finally collapsed. The parallel development of the weakening British influence within the Commonwealth and the increasing importance of trade with non-Commonwealth countries made the three circles of British foreign policy less and less equal.

By the end of the 1950s, the importance of both the Commonwealth and the special relationship with the U.S. were still vital, but it had become clear to British leaders that they would no longer be sufficient to maintain Britain’s influence in world politics.

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<sup>127</sup> See table 4.3. in Sanders, 1990, p. 118.

<sup>128</sup> See table 4.6b in Gowland and Turner, 2000, p. 73.

<sup>129</sup> See table 4.4. in Sanders, 1990, p. 119.

Contrary to British hopes, the United States had not wanted Britain to maintain its traditional pre-WW2 role of an independent world power after 1945, but was rather interested in the UK taking on an active role in the development of the EEC.

As expressed in a paper published by the U.S. State Department in 1950, the U.S. leadership was not worried about the prospect of a weakening of Britain's role as a colonial power, as it hoped this would bring the country closer to Europe:

'It should be our line with the British to assure them that we recognise the special relationship between our two countries and that we recognise their special position with regard to the Commonwealth. We should insist, however, that these relationships are not incompatible with close association in a European framework. In fact, the close U.S.-U.K. relation and the Commonwealth today find their significance in their ability to contribute to the attaining of other ends, including the strengthening of Western Europe and resistance to Soviet expansionism',<sup>130</sup>

The British leaders themselves only reluctantly accepted the changing situation with regard to the Commonwealth. In the end they only turned their attention towards Europe when it became obvious their country would continue to lose international status if it remained outside of the EEC. So a growing attention to the long neglected third circle came about as a result that British leaders came to recognise that 'if Britain wished to retain a significant voice in world affairs, then it would have to do so in concert with its allies in Western Europe' (Sanders, 1990, p.135).

At the same time, due to the growing independence of the Commonwealth countries, who now chose their economic relations in accordance with their own national interests, it was likely that the EEC might in the long run become attractive for these countries:

'(...) Britain's declining status would be likely, gradually, to reduce its influence in the Commonwealth and in the non-aligned countries generally. Conceivably, the EEC might itself come to have more influence with some Commonwealth

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<sup>130</sup> US State Department paper, 19 April 1950, source: Gowland and Turner, 2000, p. 70.

countries than Britain. The consolidation of Europe, coinciding with the dismantling of Britain's colonial interests, therefore threatened Britain's political influence and its pretensions to world power status.' (Butler, 1993, p. 160)

As a result, the decision of the MacMillan administration to submit the first British application for EEC membership in 1961, must be viewed as 'a serious attempt by Britain to catch up with a new reality' (Hibbert, 1993, p. 118). A reality in which Europe had become far more important than the Commonwealth. The acceptance of these facts amongst the British elite did not however lead to a fundamental change of attitude with regard to Britain's international role. By the late 1950s, British leaders considered membership of the EEC as an inevitable step to catch up with a new political reality, the growing importance of the Common European Market in the global economy. Britain was nevertheless still very interested in preventing any further damage to its relations with the Commonwealth countries, which became clear during the pre-negotiations for British membership in 1961.

At a cabinet meeting immediately before the official declaration of the British membership application to the EEC, the MacMillan administration made clear that it could not accept terms of membership for Britain which would hamper its trade relations with the Commonwealth:

'Our objective should be to secure transitional arrangements which maintained substantially the Commonwealth's present position, and an understanding that those arrangements would continue (...)

We would have to try to ensure that Commonwealth countries had opportunities for exports (either to the United Kingdom market or to the Common Market as a whole) broadly comparable with those they enjoyed at present.'<sup>131</sup>

British leaders therefore tried to combine the best of both worlds: while membership of the EEC was supposed to compensate for the loss of influence within the Commonwealth and to strengthen Britain's economic performance, the essential ties

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<sup>131</sup> Cabinet meeting, 18 June 1961, source: Gowland and Turner, 2000, p. 80.

with the former Empire countries should be maintained. With a foot in each of the three circles, British leaders assumed that the global importance of Britain as an independent power could be maintained. The notion that Britain could maintain a rather imperialist world power attitude once it had joined the EEC, became a major obstacle for convergence with the continent. While it had already been a major factor in the British elites decision to stay away from the unfolding project of European integration for more than a decade after 1945 (George, 1998, pp. 15-16), the continuing British involvement in the Commonwealth, prevented the country from committing itself fully to Europe. In spite of the declining economic and political importance of the Commonwealth, British leaders largely continued to behave as if it would provide a viable alternative to deeper involvement in the European circle. To a large extent, the perception of the UK as a reluctant European, even after it had become a member of the Common Market in 1973, was consequently down to 'the reluctance, especially after 1956, to give up more quickly the global presence and attitudes which went with it' (Young, 1997, p. 224).

Although economic relations with Europe have become more and more important since the 1960s, there is a persistent perception among the British political elite that there is more to the British national interest than engagement in Europe. Britain's imperial legacy has consequently prevented the country from abandoning an attitude of superiority towards its continental neighbours, and a general 'distrust towards European integration' (Varsori, 1995, p. 24):

'Wide-ranging and protracted international co-operation of the sort engendered by the EC was all very well, and always welcome, but it could never be permitted to interfere with the vital national interests of the United Kingdom.'

(Sanders, 1990, pp. 156-157)

## 2.5. The Special Relationship with the U.S.

The second backbone of Britain's self-assessed superiority in comparison with the continental European countries was the *special relationship* with the United States. It had formed as a result of the two English-speaking countries' determination to join forces in the fight against Nazi Germany's attempt to subjugate Europe.

After the successful liberation of Europe from nazism, U.S. leaders remained very much interested in maintaining the close relationship with the U.K., as it now needed a leading partner in the fight against the threat of Soviet expansionism on the European continent. Because of the two countries close diplomatic and military relations, U.S. leaders had destined Britain to take on a leading role in the creation of a European framework which would safeguard the strategy of containing both Germany and the Soviet Union. The British post-war foreign policy strategy was fundamentally interested in maintaining the special relationship with U.S., but for reasons which did not coincide with American priorities. Although British leaders strongly shared the U.S. desire to contain the Soviet Union and were therefore determined to secure a continuing U.S. military presence in Europe, they were very uneasy about the American support for British involvement in the unfolding project of European integration.

British leaders had intended to use the continuation of the WW2 –alliance with America after 1945 as a means to have a second basis for the continuation of Britain's role as a world power. As was laid out in a memorandum created by the Foreign Office in 1944, British post-war foreign policy was focused on the attempt 'to use the power of the United States to preserve the Commonwealth and the Empire, and, if possible, to support the pacification of Europe'<sup>132</sup>.

When it became obvious in the mid-1950s that Britain's influence within the Commonwealth was in decline, British leaders tried to make up for this loss by reaffirming 'the importance of the Anglo-American partnership' (Gowland and Turner, 2000, p. 40).

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<sup>132</sup> Foreign Office memorandum, 21 March 1944, source: Gowland and Turner, 2000, p. 42.

The United States, on the other hand, started to get more and more frustrated with the British refusal to commit to Europe and challenge French leadership. As early as 1950, the U.S. had made it clear to Britain that in spite of the special ties between the two countries, there would be no special benefits for the U.K. if it decided to remain outside the European continent. Apart from a strong relationship with Britain, the U.S. also desired close ties with a stable and integrated Europe:

‘We recognize the special close relation between us and it is one of the premises of our foreign policy. It is not, however, a substitute for, but a foundation under closer British (and perhaps U.S.) relations with the Continent. In dealing with other Europeans, however, we cannot overtly treat the British differently and they should recognise that the special US-UK relation underlies US-Europe relations, and that we do not consider close UK-European relations as prejudicial to the US-UK relation’<sup>133</sup>

Contrary to the British expectation and in spite of the close wartime alliance, the U.S. consequently did not feel obliged to treat Britain any better than any other West European nations. British leaders had thus built their three circle foreign policy on the misconceived understanding that the bilateral British-American relationship would be of greater value to the Americans than the development of an integrated Europe.

Therefore, by refusing to engage in Europe before the late 1950s, Britain weakened rather than strengthened the special relationship by sharing U.S. By staying outside the ECSC and the Common Market, Britain reduced its importance to the U.S., which now had to increasingly focus its attention on the six continental states:

‘The refusal by the Attlee government and subsequent British governments to lead Western Europe into economic and, ultimately, political integration was arguably the most important source of division between Britain and the United States until the British EEC application of 1961’ (Kaiser, 1999, p. 7)

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<sup>133</sup> US state department paper, 19 April 1950, source: Gowland and Turner, 2000, p. 47.

It was clear that the U.S. did not see any alternative to the unfolding Community of the Six on the continent. From the American point of view, the Common Market approach of the Six members of the ECSC was ideally suited to safeguard the U.S. double containment strategy of Germany and the Soviet Union. The U.S. leadership therefore strongly supported the ambitions of the Six to expand integration into further areas besides the existing integrated coal and steel sectors. U.S. secretary of State John Foster Dulles made this view absolutely clear in a letter to British Foreign Secretary MacMillan in 1955:

‘To my mind, the six-nation grouping approach gives the greatest hope of achieving this end because of the closer unity which is inherent in that Community and because of the contribution which it will make to the strength and cohesion of the wider European grouping (...) It is for these reasons (...) that the President [Eisenhower] and I have been anxious to encourage in every appropriate way the current revival of initiative by the six nations in their search for new forms of integration in the fields of nuclear and conventional energy, a common market and transportation’,<sup>134</sup>

Initial British hopes that America would support them in the development of an alternative free trade area were thus quickly dashed.

The Suez crisis in the autumn of 1956 strained Anglo-American relations still further and made it obvious that there was no longer any automatic convergence between British and American foreign policy objectives. Although relations between Britain and the U.S. did recover after the Suez crisis, it became increasingly obvious that the U.S. leadership would not support British ideas for a free trade alternative to the Common Market.

In 1959 U.S. Under-Secretary of State Douglas Dillon stressed in a meeting with Harold MacMillan, now British Prime Minister, that the U.S. would not support British plans for an association between EFTA and the EEC.

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<sup>134</sup> Letter by U.S. Secretary of State Dulles to British Foreign Secretary Macmillan, 10 December 1955, source: Gowland and Turner, 2000, p. 49.

This was a clear indication that the U.S. did take the view that EFTA 'had no political importance but was purely an economic organisation'<sup>135</sup>.

American support for the EEC and pressure on Britain to join the Common Market of the Six became even stronger under the administration of President John F. Kennedy.

Under Kennedy, the U.S. urged Britain to join the EEC, in order to 'tie Germany more closely to the West'<sup>136</sup>, and to generally enhance the economic prospects of both the U.S. and the U.K. This strong American backing for British membership of the EEC was a major factor in the decision of the MacMillan administration to finally apply for membership in 1961. British leaders had to realise that the U.S. did not want the U.K. to remain in its traditional role as an independent world power which focused on its Commonwealth rather than on Europe. It is true that in general 'Americans never did have much time for the imperial so-called Commonwealth' (Young, 1998, p. 128), which is why British hopes for American support to revive its position within the Commonwealth were illusionary. However, the fact that Britain's role as an imperial power declined during the 1950s and 1960s still affected the special relationship. As Britain was losing its major influence within the Commonwealth and was reluctant to engage in Europe, it was also losing much of its former value as a major ally for the U.S.

Even after Britain had joined the EEC after three unsuccessful application attempts in 1973, it failed to engage full-heartedly within the Community and thus failed to provide the U.S. with the leading ally it sought within the Community. As U.S. foreign policy remained focused on relations with the European Community as a whole, Britain's reluctance to play an active part in the European circle made the special relationship less special from the American point of view. By failing to commit their country fully to Europe, British leaders consequently did not strengthen, but weaken their country's influence across the Atlantic and in the end seriously undermined Britain's global influence:

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<sup>135</sup> Transcript of a meeting between Prime Minister MacMillan and U.S. Under-Secretary of State Douglas Dillon, 9 December 1959, source: Gowland and Turner, 2000, p. 54.

<sup>136</sup> Transcript of meeting between U.S. president John F. Kennedy and Prime Minister MacMillan, April 1961, source: Gowland and Turner, 2000, p. 56.

‘However attached it still wishes to be to the USA, a Britain detached from Europe’s political fortunes is therefore likely to be of less significance to Washington. The USA is quite able to absorb Britain’s Atlanticism, which costs little, while adjusting its main centre of interest to whatever new and more effective constellation of power takes shape on the continent (...)

(...) In important respects, such as trade, USA statecraft has already recognized that with or without EMU and further enlargement, the EU is its principal interlocuter in Europe’ (Keens-Soper, 2000, p. 195)

This disadvantageous development for Britain is based on a serious misconception on the British part about the nature of the relationship with the U.S. For decades after the Second World War, a majority of the British have perceived relations with Europe and the U.S. as two options which inevitably exclude one another. While the U.S. wanted a new relationship with a Britain, that was a leader in Europe and a counterweight to the anti-Americanism of France, British leaders clung to a different view: that they will only remain a special ally for the U.S. if they do not engage too much in Europe. At least until the end of the Thatcher/Major era, British leaders therefore held on to the view that relations with the U.S.

‘(...) would be fatally compromised by the lure of something called the European Community. The idea that these amounted to alternative choices, the one necessary imperilling the other, afflicted the decision of all leaders from Churchill to Margaret Thatcher, if not beyond.’ (Young, 1998, p. 2)

The official British approach has changed slightly under a younger generation of British leaders, who are more willing to combine the traditional closeness with the U.S. with an active role in the EU (see Section 3.6). British society, however, still seems to be deeply influenced by the traditional preference for a transatlantic rather than continental European orientation.

For many British people the cultural gap between Britain and continental Europe is still perceived to be wider than with America, with whom the country shares a common language and a tradition of ‘religious, moral and political beliefs’ (Thatcher,

2002, p. 20). Although most other European nations have also been immensely influenced by American culture since 1945, Britain seems to have opened up more than any other European nation to U.S. cultural influence, resulting in a self-perception of being 'Little Americans' (Marr, 1999, p. 201):

'(...) Americanisation is, so to speak, a European phenomenon. In many ways that is right. But in Britain it is especially intense. Nor is it confined to the relationship with the United States (...) There is an extraordinary little phrase many people in Britain use when talking about America: 'across the pond' – as if the Atlantic were a village pond, and America were just the other side of the village green. In one semantic bound, the Channel becomes much wider than the Atlantic' (Ash, 2001 , p. 10,)

The public debate about greater British commitment towards Europe is therefore still dominated by the notion that Britain's cultural closeness to America makes it unsuitable to integrate into a Europe of continental states, which do not have a history as globally orientated as Britain's. Because the British economic model of a liberal market economy shares more elements with the U.S. than with the social models of many continental countries, the British debate about European integration often boils down to a choice between the Euro and the Dollar.

Whereas economic co-operation with the U.S. is perceived as an essential part of Britain's role as a powerful global economy, involvement in an integrated financial and economic European framework is considered to be a serious disadvantage<sup>137</sup>.

The legacy of the wartime special relationship with the U.S. thus lingers on even today, as 'a direct continuation of Britain's wartime experience, so deeply engraved in the national psyche' (Hibbert, 1993, p. 115).

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<sup>137</sup> Eurosceptic Conservative MP John Redwood has repeatedly expressed this view: 'The United Kingdom has been an attractive haven, given its relative freedom from undesirable overregulation and the relative surplus of talented scientists who wish to seek research appointments in well based companies. There have not been the same tie-ups with companies from member countries of the European Union owing to the relative backwardness of the European Union industry and the common culture shared across the Atlantic between US and UK companies' (Redwood, 1999, p. 155)

The fact that a large part of the British public and the British elite still holds on to an exaggerated assessment of the value of the Anglo-American ties for both partners, makes it difficult to come to a more relaxed attitude towards European integration. In the end, this stance risks the alienation of both Britain's partners within the EU as well as the United States who would like to see greater British influence within the Community.

If Britain would indeed increasingly focus on its relations with America and turn its back on Europe it might therefore be unwise to expect any favours from the U.S.:

'Certainly, a subservient relationship with an America looking ever more to the Pacific, and wanting to deal with the whole EU, would not be easy or comfortable' (Marr, 1999, p.200)

With regard to defence and security, the U.S. certainly values the strong British support in the fight against international terrorism after the events of September 11<sup>th</sup> 2001. In this respect, the supportive stance of the British government has certainly increased the British diplomatic influence in Washington and has turned Britain into the Americans' main contact in Europe. It would nevertheless be wrong to overestimate the general effect of the British-American co-operation in the fight against terrorism. Although the U.S. are grateful for the British support, they still need to maintain a broad coalition of states within NATO, which includes other European partners.

British leaders should therefore be careful not to fall into the old trap of overestimating their influence in Washington, even in the post-September 11<sup>th</sup> environment. The Bush administration has shown that, in spite of British support for the war against terrorism, it is still ready to ignore British interests and pursue its own economic advantage. The announcement that all imported steel, including British steel, would fall under a new punitive import tariff<sup>138</sup> was evidence that Britain cannot expect to be treated as a special partner by the U.S., in all respects.

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<sup>138</sup> See *The Guardian*, 'US industry opposes Bush steel tariffs', 10 April 2002.

As Hugo Young argues, the special relationship between Britain and the U.S. 'became long ago not just about power but exclusively, military power'<sup>139</sup>

As a result, especially with regard to the imminent enlargement of the EU, Britain will only be able to remain a crucial partner for the U.S., if it is willing to fully commit itself to the development of the Community. Should it fail to do so, a reunified and more self-confident Germany, which will be at the centre of an enlarged EU, could turn into the new focus of attention for a U.S. which seeks a partner in Europe:

'A united Germany holding sway in the centre of Europe would make Berlin of at least as much value to the USA as Britain (...) With its strategic eyes on both ends of the Eurasian landmass, the USA might aim for alliance with Russia and Germany as the means of denying China diplomatic support'

(Keens-Soper, 2000, p. 189)

Although the categoric refusal of the Schröder administration to provide military support for a possible U.S. attack on Iraq makes such an alliance unlikely at present, it is possible that it might form under different circumstances at some point in the future. It will therefore be in Britain's interest to make sure it maintains a healthy balance between a strong engagement in Europe and close ties with the U.S.

## **2.6. Conclusion: Still an 'awkward partner' under New Labour?**

The various illustrated reasons for Britain's traditional sense of separateness from the European continent and its lack of enthusiasm for the development of an integrated European framework still determine British attitudes toward Europe today. The majority of the British public remains sceptical about the benefits of British engagement in Europe, which is clearly illustrated in the continuing debate about the benefits of British EU membership and possible accession to the Eurozone.

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<sup>139</sup> Hugo Young, 'Why our leaders love to get cosy with Washington', *The Guardian*, 3 September 2002.

The end of 18 successive years of Conservative leadership in Britain, during which continental Europe was portrayed as the arch-enemy of British interests and any concession to the pooling of sovereignty as a national defeat, has however brought a new generation of British leaders to power. The leading figures of the Blair administration, including the Prime Minister, still have their reservations about certain aspects of EU policies and procedures. In general though, they have shown a positive and co-operative approach towards European issues and have abandoned the negative rhetoric, which dominated British European policy for more than fifty years.

Although fully aware of the persistent public scepticism at home, the first Labour Prime Minister in 18 years, made it clear from the beginning that his government would show a more constructive approach within the EU, based on the willingness to compromise and to play a more active role:

'If Britain is to remain part of the EU, as it will under a Labour government, we have got to get the best deal for Britain out of Europe. That means Britain has a contribution to make to shape the future of Europe, not sitting there and resisting what everyone else does (...) we want a Europe that works – it works in British interests, but it works'<sup>140</sup>

This new British approach was of course warmly welcomed by Britain's partners in the EU<sup>141</sup>, who hoped that Britain would finally take on its destined role as a committed European. It showed that Britain was now led by a politician who represented a younger, post-war generation, which shares few of the resentments of the previous generations, who had witnessed the cruelties of two World Wars.

Unlike most of his predecessors<sup>142</sup>, Blair therefore carries little of the ideological baggage, that set them so squarely against the European idea. This means he is more likely to be able to forge a fresh start in Britain's relations with Europe:

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<sup>140</sup> *The Times*, 'Blair: I want to forge a new Europe', 24 May 1997.

<sup>141</sup> *The Times*, 'International acclaim for Blair victory', 3 May 1997.

<sup>142</sup> The exception to this rule was Edward Heath who, in spite of having been an eye-witness to the rise of the Nazi terror in Europe, strongly advocated closer links between Britain and the European

'Born in 1953, Blair matured when the Second World War was a distant memory. The formative events of 'Europe' had made no impact on him (...) The history suggested strongly that no alternative had existed for fifty years. But there was now a Prime Minister who did not fight it, and, untroubled by the demons of the past, prepared to align the island with its natural hinterland beyond.' (Young, 1998, p. 481 and p. 515).

Moreover, unlike most of his predecessors, Blair does not face any significant opposition from within his own party against his pro-European orientation. The older generation of left-wing Eurosceptics, such as Tony Benn and Dennis Skinner, who had managed to determine the party's course in the early 1980s, no longer have the influence to fundamentally threaten the government's course on Europe<sup>143</sup>.

The Blair administration could therefore underline its pro-European credentials with a number of policy changes, that were strongly opposed by preceding Conservative administrations. For example, Blair's administration agreed to sign the Social Chapter, which had been resisted by the Conservatives, because they feared it would introduce continental socialist policies through the back door.

The government was also more open towards the extension of Qualified Majority Voting (QMV), which it agreed both at the 1997 Amsterdam IGC and the 2000 Nice IGC<sup>144</sup>. With the decision to make the Bank of England independent, the government adopted the German central bank model and basically took a significant step towards possible membership of the Eurozone (Young, 2000, p. 178).

continent and in the end managed to take Britain into the EEC. For an account of Heath's premiership and the background to his pro-Europeanness see Young, 1998, pp. 214-256.

<sup>143</sup> Richard Heffernan stresses that 'no overt Euro-sceptic is to be found on the Labour frontbench, and critics are confined to the backbenches, if not the very fringes of the Parliamentary party' (Heffernan, 2000, p. 396).

<sup>144</sup> At the Amsterdam summit, the Blair administration agreed to the extension of QMV to 16 areas of decision-making, including regional, social and environmental ones. They did also not object to the inclusion of a chapter on the coordination of European employment policy into the Amsterdam treaty. (Weidenfeld, 1998, pp.30). At the IGC in Nice in December 2000, Blair agreed to a further 40 areas to be decided by QMV, including industrial policy, financial regulations of the EU budget and structural fund rules (*The Times*, 'Nice Summit – Where Britain has surrendered its veto', 12 December 2000).

At the same time, however, it became clear that the new Labour government would not completely abandon British scepticism towards deeper integration and would still be prepared to defend British national interests. The government was not ready to surrender Britain's sovereignty over its border controls and also insisted on unanimous decision-making with regard to taxation, social security, defence and revenue-raising mechanisms within the EU<sup>145</sup>.

The government's hesitant stance on Economic and Monetary Union (EMU) is of especial interest and has disappointed many of Britain's partners, as they expected the British government to make a decision on the single currency early in its first term. The government's ambiguous stance on EMU<sup>146</sup> seems to contradict its general ambition to take on a leading role in Europe, which had already been set out by Blair in opposition<sup>147</sup> and was later re-confirmed by Foreign Secretary Robin Cook<sup>148</sup>. It is obvious that Britain will not be able to take on a leading role within the EU comparable with that of France and Germany as long as it stays out of the crucial integration project of EMU. To become an accepted leader in the EU, Britain will need to join the Eurozone, so it can have a full say on decisions with regard to monetary and economic issues, and clearly demonstrate its commitment to the European project:

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<sup>145</sup> Point 58 in the official government white paper on the British approach to the IGC in Nice, December 2000, [www.europa.eu.int/comm/archives/igc2000/offdoc/memberstates/index\\_en.htm](http://www.europa.eu.int/comm/archives/igc2000/offdoc/memberstates/index_en.htm).

<sup>146</sup> On the one hand, Blair tried to court the readers of the eurosceptic *Sun* by promoting himself as a 'pound sterling patriot' (see *The Sun*, 'The Sun backs Blair', 25/4/97). On the other hand, he repeatedly stressed that in contrast with the Conservatives, a Labour government would only assess the issue in economic terms because there were no constitutional barriers which would prevent Britain from joining in principle. (Blair, 1996, p.287). As a result, the five economic tests set out by Chancellor Gordon Brown in the House of Commons on 27 October 1997 have to be met before the British people will have their final say in a referendum (For a transcript of the statement see the official website of the treasury <http://www.hm-treasury.gov.uk/pub/html/docs/emu.main.html>).

<sup>147</sup> In a speech to the Royal Institute of International Affairs in April 1995 Blair stated that 'We are not setting out to break up the Franco-German partnership or to engage in a new round of 'balance-of-power' politics. Rather our aim is to join others in the leadership of Europe in the pursuit of our aims' (Blair speech to the Royal Institute of International Affairs, 5 April 1995, source: Blair, 1996, p. 285).

<sup>148</sup> Cook spoke of the establishment a leadership 'triangle' between Britain, France and Germany. See Robin Cook's statement in *The Guardian*, 'Britain seeks leading role in Europe', 8 May 1997.

‘(...) it took the French and the Germans more than one parliamentary term to forge a relationship built on mutual trust and close co-operation. It is only such a long-term commitment – completely absent in Britain’s European relationships – that can be strong enough to bridge even quite fundamental differences over individual policies (...)’ (Kaiser, 1999, preface, xviii)

If the Blair administration is serious about its ambition to turn Britain into a fully committed player within the EU, and to finally abandon the traditional British aversion towards engagement in a European framework, EMU will be the decisive issue which determines the success or failure of the government’s approach.

It has already become obvious that a greater willingness on the British part to abandon old dogmas leads to greater influence at the Community level. The Prime Minister’s decision to reduce the traditional British reluctance to participate in the development of a European identity with regard to defence and security and his general acceptance of the necessity to develop a common foreign security policy for the EU<sup>149</sup>, has allowed him to take on a leading role in the development of the *Rapid Reaction Force (RRF)*.

The joint Anglo-French declaration of St. Malo in December 1998<sup>150</sup> laid the ground for the decisions made at the Helsinki summit in December 1999<sup>151</sup> which declared that a European Rapid Reaction Force was to be created ‘by 2003’<sup>152</sup>, which would enable the EU to act militarily whenever NATO would not want to act itself.

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<sup>149</sup> At the informal EU summit in Pörtlach, Austria, in October 1998, which was dominated by the humanitarian crisis in Kosovo, Blair stated that ‘a common foreign security policy for the European Union is necessary, it is overdue, it is need and it is high time we got on with trying to engage with formulating it’ (Tony Blair’s press conference in Pörtlach, 25 October 1998, [www.weu.int/institute/chaillot/chai47e.html](http://www.weu.int/institute/chaillot/chai47e.html)).

<sup>150</sup> Joint declaration issued at the British-French summit, Saint Malo, France, 3-4 December 1998, [www.fco.gov.uk/news/newstext.asp?1795](http://www.fco.gov.uk/news/newstext.asp?1795).

<sup>151</sup> See the EU’s official website ([www.ue.eu/presid/conclusions.htm](http://www.ue.eu/presid/conclusions.htm))

<sup>152</sup> The Helsinki declaration stated that ‘Member States must be able, by 2003, to deploy within 60 days and sustain for at least 1 year military forces of up to 50,000-60,000’ in order to develop an ‘autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises’ (<http://www.ue.eu/presid/conclusions.htm>). The declaration also stressed, however, that full transparency between EU decisions and NATO had to be maintained.

The experience of the Bosnian crisis, during which the Europeans had to realise that they did not have the capacity to intervene without U.S. support, had therefore caused the Prime Minister to put aside the usual British doubts about a European defence identity. Traditionally, British Prime Ministers had resented the idea because they feared it would lead to the military disengagement of the U.S. in Europe, and consequently endanger European security.

At least in this respect, Blair has shown that his government is basically ready to agree to new integrative steps, which involve the pooling of British national sovereignty if it is in the British national interest and to the benefit of the EU as a whole. The government's readiness to get involved in the development of a European defence identity and possibly even a Common Foreign and Security Policy, which is based on the existing transatlantic links within NATO, is also founded on a new evaluation of relations between Britain and the U.S.. Whereas British leaders have traditionally seen engagement in Europe and close relations with U.S. as two incompatible choices, the Blair administration has repeatedly made clear it no longer see Europe and America as two alternate choices for Britain. In the understanding of the present government, Britain could use its traditionally close ties with the U.S. as an asset in Europe, in order to act as a mediator between European and American interests.

As Blair laid out in his speech at the Polish Stock Exchange in October 2000:

‘(...) our strength with the United States is not just a British asset, it is potentially a European one. Britain can be the bridge between the EU and the US.’<sup>153</sup>

The government consequently seems to have accepted the fact that the U.S. will only accept Britain as a leading partner if it is fully engaged in Europe. Like all British Prime Ministers, Blair has not abandoned the British aspiration to maintain strong bilateral ties with America but, on the contrary, sometimes pursues it with such vigour

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<sup>153</sup> Prime Minister's speech at the Polish Stock Exchange, 6 October 2000, [www.number-10.gov.uk/news.asp?NewsId=134&sectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=134&sectionId=32).

that he is often portrayed as America's 'poodle'<sup>154</sup>. In spite of this understandable scepticism about the Prime Minister's real intentions, so far Blair has given no indication that he wants to turn his back on Europe in favour of closer relations with the U.S. If the Prime Minister sticks to the principle he has laid out in his speech in Ghent in February 2000, then the government's ambitions to become more engaged in Europe will continue:

'As we lost influence in Europe, it did not help us in America. Britain has close ties with America. They will remain close, no more so than under this government. But America wants Britain to be a strong ally in a strong Europe. The stronger we are in Europe, the stronger our American relationship'<sup>155</sup>

Under the present Labour government, British European policy has thus not fundamentally changed but it has been based on a new, co-operative attitude. In the end, this amounts to a certain degree of 'normalisation' of British European policy, in which Community rules and procedures are no longer demonised and British national interests are only safeguarded where it is deemed essential. The Labour government is therefore still ready to oppose any measure which it considers to be against the British national interest and will not automatically agree to any steps towards the deepening of integration. As for most other EU member states, the national interest will continue to be a priority under Labour, but it has also been accepted that the pooling of sovereignty need not always run against British interests:

'Indeed, because Labour continues to look towards Europe in terms of "pooling" rather than "surrendering" sovereignty, it is "European" only in a "national" sense, an attitude reflecting its well established fidelity to the ways and means of the British state' (Heffernan, 2000, p. 397).

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<sup>154</sup> Blair's strong backing for the U.S. military operation in Afghanistan and reports about a possible British involvement in an attack on Iraq have often been criticized in the press as a continuation of the traditional British orientation towards the U.S. at the expense of Europe. (See *The Guardian*, 'Opposition to attack mounts up', 7 August 2002 and 'If Blair gets this wrong he could be gone by Christmas', 8 August 2002).

<sup>155</sup> Prime Minister's speech at the Ghent City Hall, Belgium, 23 February 2000, [www.number-10.gov.uk/news.asp?sectionId=32](http://www.number-10.gov.uk/news.asp?sectionId=32).

It would be fundamentally wrong to suppose that Britain has in the past often been a difficult partner in Europe because of a British *'Sonderweg'*<sup>156</sup>. Although Britain has found it much harder to warm towards European integration than most other European nations, it has not pursued a special course in its European policy.

The country had simply developed a different attitude towards European integration due to a history, which is fundamentally different from that of the continental European nations. Like most other European nation states, Britain tried to act according to its national interests, which up to the late 1950s seemed to allow the country to neglect any deeper involvement in the European circle. Although British leaders overestimated the post-war importance of the Commonwealth and the relationship with the U.S., it was not unreasonable for them to aspire to maintain Britain's global role after 1945, given Britain's past standing as a world power. In contrast to most continental states and for the reasons explained in this chapter, Britain simply took a longer time to arrive in Europe. When it finally managed to do so in 1973, it entered a Community which had already been shaped according to the needs of the Six founding members, especially France and Germany.

The resulting British uneasiness with Community procedures and policies was therefore understandable, although from 1979 it reached excessive and sometimes xenophobic proportions under 18 years of Conservative leadership. The downside of this legacy is of course the continuing portrayal of the EU as a continental conspiracy against the British which persist in some parts of the British media, and fuels Euroscepticism among the British public.

While the present government has adopted a more positive and constructive approach towards the EU and continues to stress the benefits of British engagement, the public remains deeply sceptical about deeper British involvement in Europe.

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<sup>156</sup> Wolfram Kaiser rejects the *'Sonderweg'* thesis developed by many analysts who explain Britain's problems with Europe with British 'exceptionalism' and ignore the various historical reasons for Britain's relative distance from the continent. In this respect Kaiser points out that other European nations, namely Denmark and Norway, have initially also remained sceptical towards the project of the Six and that even West Germany and the Benelux countries supported Britain's promotion of European free trade (Kaiser, 1999, p. 207 and pp. 210-211.)

While on the political side the perception of involvement in Europe as a ‘defeat’ is now largely confined to the Eurosceptic wing of the Conservative Party, a large part of the British public still clings to this traditional view:

‘For Britain (...) the entry into Europe was a defeat: a fate she had resisted, a necessity reluctantly accepted, the last resort of a once great power, never for one moment a climactic or triumphant engagement with the construction of Europe. This has been integral in the national psyche, perhaps only half articulated, since 1973.’ (Young, 1998, p. 2)

The main challenge for the Blair administration and for any essentially pro-European administration that might follow, will therefore be to bridge the gap between the official British policy towards Europe at present and the public attitude at home. As long as British leaders do not manage to engage the public in an open and honest debate about the benefits of British involvement in the EU, public perceptions of Europe will remain unchanged and the country will never achieve its ambition of assuming a leading role in the Community. With regard to its position in Europe, Britain is in a process of reconsideration, similar to the gradual ‘normalisation’ process Germany is experiencing as it comes to terms with its involvement in foreign military operations<sup>157</sup>.

In order to reposition Britain at the heart of Europe, British leaders face an uphill struggle to take the British public on board. This can in the end not simply be achieved by a more positive British demeanour at the Community level, but must begin at home as a serious struggle to break up engrained patterns of thought on Europe. The fundamentals for this task have already been established by the Blair administration, because it has proven that in spite of the persisting Euroscepticism at home, under its leadership, Britain will spurn the anti-Europeanism of the past:

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<sup>157</sup> In his speech at the SPD party conference in Nuremberg in November 2000, Prime Minister Blair has stressed that both countries face a similar challenge to overcome their traditional post-war foreign policy attitudes at present: ‘For you, Europe is relatively easy as an issue: the commitment of military forces hard. For us, the opposite. To commit our military, relatively uncontentious; to commit to Europe causes deep passions (...) So both our nations face a time of challenge’ (Prime Minister’s speech at the SPD federal party conference in Nuremberg, 20 November 2001, source: SPD Pressestelle, Berlin).

‘In the last couple of years, Britain has been pursuing a constructive, engaged and steady European policy. The government is absolutely determined to stick to this course towards the European Union and not to follow Thatcher’s example, who, after a short but deceiving ray of light performed an about-face with regard to the project of the Common Market’ (Paterson, 1999, p. 272)

## **Chapter 3: Changes in the Franco-German partnership**

The close relationship between France and Germany, which has often been described as an 'axis' or 'alliance' has undergone many changes in the long period since the Second World War. For decades it had been the motor of the integration project and had become an indispensable basis for both countries' post-war foreign policy, strongly based on the mutual personal understanding of French and West German leaders. While before the end of the Cold War and German reunification, both countries had been rather at ease with their designated role within the mutual partnership, disagreements increasingly started to affect Franco-German relations in the course of the 1990s. In the aftermath of the Maastricht Treaty, both France and Germany found it difficult to adjust their foreign policies to the changed balance between themselves, which had been mainly caused by the increased political weight of the unified Germany. As a result, the traditional post-war Franco-German consensus on major European issues is increasingly fading away and both countries frequently find themselves at loggerheads with regard to the future of Europe.

This chapter looks at the reasons behind the changes in the Franco-German partnership and its effects on the EU as a whole.

### **3.1. The Franco-German axis as the post-war motor of integration**

After the end of the Second World War, the reconciliation between the former enemies France and Germany became the crucial fundament for the successful rebuilding of Europe and the safeguarding of lasting peace and stability on the continent. Both countries showed an equal commitment towards the creation of an integrated political and economic framework for Europe, although for fundamentally different reasons. France had repeatedly been traumatised by the threat of German expansion and occupation.

For the French it was therefore indispensable that a peaceful and stable framework for Europe would have to be based on the effective containment of any possible future German aspirations to develop a hegemonial position in Europe. Although the French were, in principle, ready to reconcile with a democratic Germany, French leaders remained very anxious not to allow a post-war German state to become too powerful, both in political and economic terms. In the immediate period after the end of WW2, France had even continued its post-WW1 stance. It had focused on the opposition to the rebuilding of the German state and the weakening of the German economic performance through extensive reparation demands. Contrary to the British and American long-term plans for the defeated Germany after 1945, France had initially showed no interest in the recreation of a German state on a national level.

As France had not taken part in any of the war-time international conferences which determined the post-WW2 order of Europe and especially Germany, French leaders initially had felt free to pursue plans to contain and weaken Germany, even against American and British opposition. On August 30<sup>th</sup> 1945, France decided to separate the Saar region, which had been a repeated contentious issue between France and Germany in the past, from the French occupation zone and finally included it into the French economic and tariff zone in December 1946. The Saar, a region rich in the production of coal, was vital for the French economy and consequently for the French desire to match German economic performance. Of equal importance had been the Ruhr region, a major centre of German steel production, which had traditionally been the spine of the German economy. French president de Gaulle had therefore initially attempted to find support for a plan to put the Ruhr under a supranational administration, in order to deprive post-war Germany of this essential economic resource. (*Dokumente*, 2000, p.7)

Even when France had subsequently decided to join the Potsdam agreement, it still felt free to openly express its opposition to the re-emergence of a German state:

‘France did in particular not support the corresponding passages on the preservation of Germany as an economic unit, when it joined the Potsdam agreement in August 1945 and the combination of the French occupation zone with

the American and the British zone (tri-zone) only came about with hesitation' (Pfetsch, 1993, p. 134)

French leaders started to refocus their priorities when they realised that they would not gain much support for their policy of obstructionism towards the rebuilding of Germany from the side of the American or the British. By 1947/48 it had become obvious that the Soviet Union was not longer willing to co-operate with the Western Allied Powers and would instead pursue its own individual plan for its zone of occupation in the Eastern part of Germany<sup>158</sup>. In order to gain a partner at the heart of Europe in the fight against Soviet expansionism, both the United States and Britain were consequently interested in turning the three Western occupation zones into a stable and democratic West German state framework with a viable economy. As a result, after 1948, France tried to present its demands towards Germany in a more modified way<sup>159</sup>, as part of proposals for the development of an integrated European framework.

The *Schuman plan*, presented by French Foreign Minister Robert Schuman in May 1950, proposed the pooling of French and German coal and steel under a supranational authority. It became the basis for the foundation of the European Coal and Steel Community, under which six European countries, including France and Germany, decided to pool their coal and steel sectors. The official motive of the *Schuman plan* was to increase economic co-operation between France and Germany in their effort to rebuild their battered economies after WW2. This should then become a basis for enhanced economic co-operation throughout the whole of Western Europe:

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<sup>158</sup> In March 1948 the Soviet Union left the Allied Control Council, in which the Allied Powers had tried to co-ordinate their policies within each of their different occupation zones. On 24 June 1948, the Soviet Union started to block all access routes to Berlin in an attempt to bring the whole of Berlin (including the three Western sectors) under Soviet control.

<sup>159</sup> France gave up most of its original the far-reaching demands towards Germany at the London Conference in June 1948, but continued to insist on the establishment of an International Authority for the Ruhr in order to supervise the distribution of coal and the creation of a customs union with the Saar region (*Dokumente*, 2000, p. 7).

**‘The unification of the European nations demands that the century-long conflict between France and Germany is being extinguished (...) The pooling of coal and steel production will immediately secure the creation of a common basis for the economic development – the first stage of the European federation and change the destiny of those regions, which, for a long time, have been committed to the production of weapons, of whom they have been the uppermost victim.’<sup>160</sup>**

**It was clear, however, that France’s main interest under Charles de Gaulle’s leadership was to bind the economy of the newly founded West German Federal Republic closely to that of France. If France could not prevent the re-establishment of a West German state due to American and British resistance, then it at least wanted to make sure that it would benefit from the economic capacity of the Federal Republic:**

**‘Having failed to dismember Western Germany, French governments resorted to the Briand approach: reaching agreements with Germany in order to bind her to France’ (Cole, 2001, p. 6)**

**The same was true for French proposals on European defence and security. De Gaulle had been a strong opponent of German rearmament, but had to realise that, due to the rising tensions of the Cold War, it would in the long term be inevitable. The U.S. wanted to use Germany’s conventional military assets in order to strengthen NATO’s ability to defend its Eastern borders against any Soviet military aggression (Handrieder, 1991, pp. 55-56). The U.S. strategy of double containment of both Germany and the Soviet Union hence did not exclude, but include the rearmament of West Germany as an integral member of the family of democratic nations and of the transatlantic alliance NATO. This was much to the discontent of French leaders.**

**The French leadership did not share the American conviction that West German rearmament would be unproblematic if it would take place within the multilateral framework of NATO. On the contrary, even though West Germany’s military assets would be strongly embedded in the multilateral structures of NATO and would prevent any possible German attempts to threaten its neighbours militarily, they**

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<sup>160</sup> French government’s declaration on the plan for the creation of a European Coal and Steel Community, 9 May 1950, source: *Dokumente*, 2000, p. 15.

would controlled mainly by the U.S. As a result, 'the French feared that the NATO option would remove Germany from French control altogether' (Cole, 2001, p. 8).

If they could not prevent German rearmament, they at least wanted to find a solution which enabled France to exercise strong control over West Germany's military capacity. The French therefore produced the *Pleven plan*, which aimed at exercising strong control over the process of German rearmament within the framework of a European army, which would be linked to NATO (Janning, 1997, p. 342; *Dokumente*, 2000, p. 15-17.).

If France would have had its way, the European army would have been as independent from NATO as possible. But as things stood at the time, France was too weak both in political and economic terms to be able to lead the development of a European force without American support. The *Pleven plan* was therefore the military counterpart to the ECSC. Both had been designed to control the emerging economic and military resources of the West German Federal Republic:

'Initially, the goal was to contain Germany, then to make West Germany pay for the defence of Western Europe, then to link France economically to West Germany, thereby to share all the benefits of its economic success' (Guyomarch, Machin and Ritchie, 1998, p.40)

The irony in this respect is that, although the ideas of the Pleven plan had been adopted by other member states of the ECSC in the European Defence Treaty signed in Paris in 1952, they were in the end rejected by the French national assembly in 1954. The main reason for that was the fact that the initial French initiative had developed into something which would 'have transformed the Six into an effective federation, with a European executive accountable to a directly elected European Parliament' (Forster and Wallace, 2000, p. 463). The French considered this political structure, which was supposed to provide the framework for the European army divisions within NATO, to be an attack on the national sovereignty of the French state and therefore rejected it (Gouyomarch, Machin and Ritchie, 1998, p. 7).

For that reason it had become obvious that France's policy towards West Germany was characterised by contradictions and exaggerated self-confidence.

On the one hand, French leaders attempted to use the means of the development of European integration to pursue their demands towards Germany, and to secure themselves a leading role in a post-war European framework. On the other hand, when they were asked to pool substantial part of the French state sovereignty on a supranational level, they withdrew towards a traditional Great Power attitude .

De Gaulle's insistence on maintaining France's status as a Great international Power consequently led to a policy

‘which is characterised by the fundamental contradiction of traditional ideas of Great Power Policy and the reality of a economically shattered middle power, which is depending on help from outside’ (Pfetsch, 1993, p. 135).

This double-edged attitude of the French towards European integration has repeatedly caused bewilderment on the German part. German leaders have often found it hard to come to terms with the fact that the French have traditionally been very reluctant to concede parts of their national sovereignty in order to achieve far-reaching steps in the process of European integration. As a result, the purpose of the existence of the close co-operation between France and Germany, the so-called ‘axis’, has been interpreted in a different way by both sides. Right from the start, the West Germany Federal Republic had been ready to ‘Europeanise’ its regained limited state sovereignty by integrating itself deeply into a European institutional framework.

West German leaders tended to show a positive attitude towards the further deepening of integration, because within this multilateral European framework, the officially semi-sovereign Federal Republic was allowed to exercise a far greater amount of control over its own affairs than would have been possible unilaterally. From the German point of view, the purpose of the close relationship between France and Germany, the so-called alliance, was thus mainly to lead the way forward in the development of European integration in a joint effort.

As the integration process was beneficial for Germany and unilateral initiatives from the German side would have been considered as an attempt to create a 'German Europe', the alliance with France became the right means to this end.

For the French, on the contrary, the bilateral relationship with Germany has always been more of a means to secure that French interests would never again be threatened by the Germans. By binding Germany closely to itself, France attempted to neutralise German power assets and to establish a leading position for itself in the development of a post-war European framework. In contrast to the ideas of German leaders, the French have however always been sceptical towards the establishment of a federal framework for Europe. They have instead promoted a strong intergovernmental basis for a Community of European nations. Especially under Charles de Gaulle's leadership, France stressed that it desired to create a '*Europe des patries*', based on strong and sovereign nation states. For de Gaulle, the Franco-German alliance therefore became an alternative which would prevent the creation of a European superstate rather than a means to push towards the development of exactly such structures:

'De Gaulle's Europe was explicitly predicated upon a dominant Franco-German axis. This bilateral relationship was conceived in a directory sense as an alternative to an ever close union under the political leadership of a federally minded European Commission' (Cole, 2001, p. 10).

Although there have certainly been differences in accentuation between the various French leaders since general de Gaulle, the French notion of Europe as an intergovernmental entity has persisted over the years, consequently running counter to German ideas. Closely connected to the French post-war self-perception as a victorious Great Power, which should maintain as much autonomy over its domestic affairs as possible, French leaders since de Gaulle have traditionally advocated a model of Europe which focuses on its external strength. The ideal French model of Europe would therefore be one with relatively weak institutions, but explicitly strong influence on the international stage. The concept of the development of Europe as a new World Power, besides the United States, Russia and China has been a significant motive behind French European policy since 1945.

Led by France in association with Germany as a junior partner, it would be able to secure France's influence on the international stage and reinforce its status as a Great Power:

'(...) in spite of the terrible defeat in June 1940, France perceives itself as a Great Power, which has to fulfil a task of its own (...) France dreams of a coherent, strong union, which proves itself as a new 'Great Power' besides the U.S., Russia and China (...) On the one hand, with regard to external affairs, France wants the united Europe to be strong and to act united on the international stage. France's diplomatic special role should remain. On the other hand, with regard to the internal affairs of the Community, France wants decisions to remain in the hands of the individual member states and their governments' (Guérot, Moreau and Defarges, 1998, p. 158-159).

The post-war West German Federal Republic had developed an attitude towards Europe, which was less ambiguous and much more focused on the building of an integrated framework, which included the concession of parts of the national sovereignty of each member state. As a semi-sovereign state, the Federal Republic had been strongly depending on the development of a multilateral European framework, within which German leaders could pursue Germany's own interests without raising the suspicion of an attempt to pursue a German *Sonderweg*. The firm integration of West Germany into a strong institutional European framework had been the only way for Germany to rebuild its economy and its international standing as a democratic nation. At the same time it allowed West Germany to pursue the long-term goal of peaceful reunification of the two German states. The Federal Republic's first Chancellor, Konrad Adenauer, was therefore ready to accept concessions, such as the prospect of sharing the fruits of the post-war West German boom with the rest of the Community by literally becoming its paymaster. De Gaulle, on the contrary, sought to reap the benefits of European integration, such as the institutional linkage between the French and the German economy, but was rather reluctant to make similar concessions with regard to French interests:

‘De Gaulle wanted the economic benefit of the Common Market, without having to pay a political price for it; Adenauer was ready to pay an economic price for his global ambitions; Adenauer was looking for an Atlantic basis for his European ambitions’ (Hanrieder, 1991, p.17).

Moreover, as the Federal Republic shared none of the Great Power ambitions of the French, it did also not share the French objective of establishing Europe as an alternative to the transatlantic link with the United States. For Adenauer, the re-establishment of the Federal Republic on the international diplomatic stage was based on the combination of the transatlantic link with the U.S., and the firm integration into a European institutional framework, which had to be deepened over time.

In order to be able to achieve the latter, post-war reconciliation and a strong mutual relationship with France was seen as an essential basis. From the German point of view, the establishment of a close alliance with France was seen as a necessary means to prove the German willingness to achieve a lasting reconciliation with the French and to re-integrate itself into the community of democratic nations in Europe. Moreover, by binding France into a close bilateral partnership, West Germany wanted to secure that France would remain firmly integrated into the West, instead of trying to establish closer ties with the Soviet Union. In spite of the different approaches and motives of the Adenauer and de Gaulle, the two leaders therefore basically agreed that there was a strong need for Franco-German co-operation in Europe:

‘Adenauer strongly believed that the stability of the German state required an entwining relationship with France. Franco-German reconciliation was a precondition for a lasting European peace and for rebuilding German prosperity (...) the Franco-German alliance would strengthen the Western alliance against the Soviet bloc. Germany also valued a close relationship with France as a symbol of Germany’s return to the European community of nations’ (Cole, 2001, p. 12)

Adenauer’s strong interest in the establishment of an alliance with France did however not go far enough to accept initial French demands for a choice between France and the U.S. as part of a bilateral treaty.

The original French proposals for a bilateral treaty, which would institutionalise the close co-operation with Germany, had included demands on the Federal Republic to give up consultations with the U.S. As this was considered to be unacceptable by many in Adenauer's own party (Hacke, 1997, p. 82), the Chancellor had no other choice but to refuse the treaty in its original form.

In spite of Adenauer's strong desire to confirm the Franco-German ties in a treaty, the West German Chancellor was not ready to accept any choice between France and America. This would have seriously undermined the German policy of *Westbindung*, which was based on the transatlantic links within NATO and the close co-operation with France as part of the development of European integration. With the policy of *Westbindung*, Adenauer had established a tradition of West German foreign policy which was later continued by all his successors:

'(...) his policy towards the West was mainly focused on the mediation and the balance between the Atlantic and the Western European continental component. This primacy of an inner-Western balance of power-policy, in which the interests of the Alliance gained priority over domestic interests, was a decisive factor for the trust set in Adenauer's foreign policy and his successors, who, according to the situation and their own temper, tried to pursue this "middle-Atlantic ideal line" of the Federal Republic's interests' (Schwarz, 1994, p. 82).

The signing of the Franco-German Elysée Treaty of 1963 had consequently only become possible when the French had accepted a watered-down version of their original draft, which excluded any demands which would be directed against relations between the U.S. and West Germany. The final version of the treaty, which was signed on 22 January 1963, symbolised the importance of the bilateral relationship for both partners by institutionalising their partnership. In the treaty both countries had agreed to regularly consult each other on a variety of levels, ranging from meetings of the heads of government at least twice every year, the consultation of Foreign Ministers every three months to the establishment of a cross-ministerial committee, which would co-ordinate co-operation on various issues. The most important aspect of the treaty, however, was the institutionalisation of consultations between the French and German governments with regard to

'all important issues of foreign policy and foremost with regard to issues of common interests, in order to come to a far as joint a position as possible.'<sup>161</sup>

The treaty specified these 'important issues' as issues relating to the European Community and the European Political Co-Operation, political and economic relations between East and West and any issue which would be negotiated in international organisations, such as NATO or the U.N.<sup>162</sup> . Closer co-operation was also determined in the area of defence. In order to avoid the impression that the Treaty would create an exclusively bilateral alliance, both countries stressed that they would 'keep the governments of the other member states of the European Union informed about the development of the Franco-German co-operation'<sup>163</sup> .

The Elysée Treaty marked the institutionalisation of the co-operation between France and Germany as the basis for the functioning and the further development of the European Economic Community (EEC). The treaty symbolised the fact that both countries were depending on each other in post-war Europe. West Germany needed a partner in order to achieve its aim to successfully reintegrate into the community of democratic nations and to be able to exercise relatively sovereign control over its internal and external affairs. As the junior partner of France, the partnership offered the chance to proceed bilaterally and therefore secured the semi-sovereign Federal Republic the ability to exercise a relatively strong influence in Europe.

For France, on the other hand, the Franco-German alliance secured that Germany would not attempt to go it alone in Europe and, even more important, allowed France to take on a leading role within the EEC. Moreover, the close ties of the Franco-German partnership and the economic framework of the EEC allowed France to permanently secure its share of German economic success.

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<sup>161</sup> Treaty between the Federal Republic of West Germany and the French Republic on Franco-German co-operation, 22 January 1963, paragraph II, section A, source: Hesse and Ellwein, 1997, p. 32.

<sup>162</sup> Ibid.

<sup>163</sup> Ibid, paragraph III, point 2, source: Hesse and Ellwein, 1997, p. 33.

Because of these differences of perception with regard to the value of the bilateral relationship and the future of European integration, the *Elysée Treaty* was therefore more a symbol for both countries' post-war dependence on one another, rather than a genuine document of friendship:

'It had considerable symbolic importance, although in many ways it did not live up to its original promise and there continued to be major policy differences between the two countries' (Guyomarch, Machin and Ritchie, 1998, p. 109)

In spite of the Franco-German disagreements with regard to policy details and the desirable future shape of the EEC, both countries nevertheless had found a *modus vivendi*, which satisfied them both. Although France had originally set out to achieve far greater control over West Germany, the settlement of the Franco-German alliance in the end satisfied French interests, as France had become the leading partner in a relationship with a politically much weaker Federal Republic. France also did not find it too hard to accept the fact that, after the boom years of the 1950s, West Germany had once again become the economically stronger nation. The Franco-German alliance, as it had been institutionalised in the Elysee Treaty, and the pooling of economic power in the EC secured France a permanent fair share of the German post-war miracle. The fact that the post-war economic and monetary policy in Europe was strongly influenced by the priorities of the German *Bundesbank*, which literally exercised its own shadow foreign policy, did not trouble the French too much under the given circumstances.

It was for that reason that France agreed to the *de facto* institutionalisation of the Bundesbank supremacy in Europe through the creation of the European Monetary System (EMS) in 1979. A joint Franco-German initiative, it was based on the *Deutsche Mark* as an anchor currency and provided the basis for the later development of a European currency union, which France had always desired. Because the post-war power of the *Deutsche Mark* had been successfully 'Europeanised' in a European framework, which, at least according to French plans, was to lead to the creation of a European single currency in the long term, from the French point of view, the benefits of West German economic leadership outweighed the disadvantages.

The loss of French economic influence in Europe was therefore compensated by profound economic benefits for the French economy:

‘With the partial exception of the 1981-83 period, French governments had welcomed close relations with the German economy as a means of modernising their own (...) Tying the Franc to the Deutsche Mark through the ERM produced substantial economic benefits. It allowed inflation to be mastered, the productivity gap with Germany to be narrowed, and even an improved commercial balance with Germany.’ (Cole, 2001, p. 93)

Nevertheless, the long-term concept of a European monetary union had always remained important for French leaders, as it ‘should enable it to catch up with Germany, which was perceived as the economically stronger partner’ (Guérot, Stark, Moreau, Defarges, 1998, p. 132). Through the creation of a European single currency with a European Central Bank, which would replace the dominant German *Bundesbank*, France believed to be able to end the German economic dominance and increase its own economic influence, while still being able to benefit from the economic linkage with the Federal Republic. For the French, the establishment a monetary framework (like the EMS in 1979) was therefore closely linked to the idea of Economic and Monetary Union, which would have to be gradually developed and would have to include more than just a core group of states:

‘Its preferred vehicle for reconciling growth and stability was a ‘common currency’ jointly managed by a confederation of interdependent states. The Bundesbank’s steel grip over interests and exchange rate policies in Europe would be loosened if they were decided by a wide coalition of states, including Britain or Italy, that diluted Germany’s influence’ (Story, 1999, p. 20)

From the German point of view the tacit acceptance of a junior partner position alongside France in the EC also was a rather positive development, which was gladly accepted. The post-war leaders of the Federal Republic realised that their country was in urgent need of a permanent partner in order to be able to rebuild its reputation as a democratic nation in Europe and elsewhere. France was the ideal partner for this purpose, as it had traditionally been the main rival of Germany in Europe.

In order to make the Federal Republic's re-integration into the group of civilised nations credible to the outside world, it was thus indispensable to achieve lasting reconciliation with the French. An integrated Europe, in which West Germany would play an essential part could therefore only be based on a close alliance between France and Germany. It symbolized a new post-war German approach towards the idea of Europe, which was no longer based on hegemonial aspirations but on the peaceful co-operation amongst the nations of Europe for their own benefit.

In this respect, the Franco-German alliance served as a symbolic proof for the changed post-war German motives in Europe, based on a

'(...) view of the EU as a *Werte- und Friedensgemeinschaft* which continues to be a powerful force in German European policy, with the Franco-German relationship as its most potent symbol' (Bulmer, Jeffery and Paterson, 2000, p. 55)

Moreover, it allowed the Federal Republic to take on a leading role inside the European Community without raising any suspicion about renewed German great power ambitions. Both countries formed a bilateral alliance, which acted as a 'co-operative hegemon' (Hyde-Price, 2000, p. 194) in the European Community.

For a country of semi-sovereign status, the Franco-German alliance allowed the Federal Republic a relatively large amount of influence on the process of European integration.

It was for these reasons that West German leaders were very interested in maintaining the Franco-German alliance, even if it often meant accepting political and economic implications which were not in the German interest. The Federal Republic thus not only accepted the creation of a protectionist Common Agricultural Policy for the EU, which mainly benefits French agricultural interests, but also reluctantly agreed to budgetary arrangements of the Community, which turned Germany into the biggest net contributor. The CAP system established as part of the EEC's *acquis communautaire* in the 1960s, was strongly shaped along the lines of French national agricultural interests.

French president de Gaulle pressured West Germany and the rest of the Community to accept a system, which mainly favoured the large French agricultural sector<sup>164</sup>.

Through *CAP*, French farmers have been able to benefit from a protectionist system which opened up external markets for French agricultural products and, through mass production subsidies, secured the existence of French farming in the international market. De Gaulle had therefore achieved a settlement, which greatly benefited France, mainly at the expense of Bonn:

‘ (...) it made net importers of food, notably Germany, contribute disproportionately to paying for this support. German funds for French farmers were viewed as a positive result, and not least because it helped to legitimise both the Franco-German alliance and EEC membership with reluctant or hesitant voters at home. Paradoxically, it was by fixing product prices at German levels that the maximum gain for French farmers was attained.’ (Guyomarch, Machin and Ritchie, 1998, p. 141)

Through *CAP*, France had thus secured a massive permanent share of the German financial capacity for itself. Because since its introduction, the *CAP* has taken the largest share of the Community budget, ‘it became the principal cause of the massive financial transfer from Germany to France and, later, the southern European countries’ (Cole, 2001, p. 70). While France has traditionally always paid far less into the Community budget than Germany, it continues to receive a great deal from Community funds<sup>165</sup>, especially with regard to *CAP*. The Common Market of the Community had hence been based on a mutual compromise between the two leading partners France and West Germany:

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<sup>164</sup> De Gaulle had put enormous pressure on the other partners within the EEC to accept the French proposals for a Common Agricultural Market. On 21 October 1964, the French government announced that it would leave the EEC in case the *CAP* would not be realised as planned. Especially the lukewarm attitude of the West German government towards the *CAP* was strongly criticized. In 1966, France even resorted to an ‘empty chair’ policy in the EEC. By withdrawing its representatives from the Community, it tried to pressurise the other member states to accept French proposals. (*Dokumente*, 2000, p. 43 and p. 47).

<sup>165</sup> In an analysis of the *CAP*, *The Times* reported on June 28<sup>th</sup> 2002 that Germany received 14% of the £ 26.5 million which were allocated in the EU budget for *CAP* in 2000, while it had contributed £ 14.1 billion to the budget that year. At the same time, France received 22.2% with a contribution of only 9.37. (*The Times*, ‘Biggest farmers to fare worst under *CAP* reforms’, 28 June 2002).

‘The Germans received an extended, secure market for their industrial products with regard to competition rights, as a countermove a protectionist dirigiste agricultural system was installed, from which mainly the French profited. This set a development in motion, which later often posed a dilemma for Bonn: Due to political considerations, one agreed to economic conceptions on the European level, which, with regard to regulation policy, actually did not find a majority in the Federal Republic and, moreover, led to a growing German financial contribution towards the Community budget’ (Meyer, 1999, p. 569)

At least until after German reunification, this settlement was considered to be an inevitable sacrifice in order to maintain good relations with France and to advance the process of deepening the political and economic integration of Europe. Because the continuing success of the integration process and the functioning of the Community were fundamentally in the West German interest, its leaders tended to try not to endanger the Franco-German alliance by fundamentally challenging French proposals.

For the sake of the political gain, which the Federal Republic got from the bilateral alliance with France, such as the ability to exercise joint leadership in the Community, its leaders were ready to make economic sacrifices with regard to budget contributions. Because there was no realistic alternative to the close relationship with France, the leaders in Bonn considered it to be part of the essential foreign policy tradition of the West German Republic. Mutual consent with France was considered an indispensable part of West German European policy, which is why consensus with France on major European issues was desperately sought on the West German part:

‘Despite the fact that France is willing to sacrifice bilateralism where it clashes with its national interests, the German elite has tended to see the relationship more as transcending such considerations’ (Bulmer, Maurer and Paterson, 2001, p. 200)

West German leaders consequently not only went along with many French ideas for Europe, but also reluctantly accepted the fact that de Gaulle vetoed British membership of the EEC twice in 1963 and 1967.

Although many of West Germany's elites would have wanted Britain as part of the Community sooner rather than later, mainly due to similar economic interests, their determination to maintain the Franco-German alliance outweighed their support for British membership. Strongly influenced by the rather sceptical attitude of Chancellor Adenauer, West Germany withdrew its initial principal support for the British EEC membership when the French resistance became obvious (Ludlow, 1997, p. 237).

Adenauer himself had always been rather sceptical about the prospect of British membership, as he considered it to make the smooth functioning of the bilateral relationship with France more complicated. The British reluctance towards the whole project of European integration made the German Chancellor rather reluctant to actively support British membership, as he feared that support for such an unpredictable partner within the Community might alienate France:

'(...) Adenauer could do well without British participation in West European institutions which he believed might actually complicate Franco-German *rapprochement*; and for him this was top priority. Although British and German trade interests were very similar, the political perspectives on European integration were not' (Kaiser, 1999, p. 95)

The situation had changed under the leadership of Adenauer's successor, Chancellor Ludwig Erhard (1963-66), who was far more orientated towards an Atlanticist position and rather critical of de Gaulle's attitude in Europe<sup>166</sup>. Nevertheless, even under Erhard, the German resistance against the second French veto of the British application remained rather lukewarm. In spite of de Gaulle's withdrawal of French representatives from the Community in 1966, which had put France into an intolerable position, and Erhard's strong public support for the second British membership attempt, de Gaulle could maintain his veto towards British membership:

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<sup>166</sup> Christian Hacke stresses that, in spite of Erhard's closeness towards the United States, his government officially tried to maintain good relations with the French. Privately, however, Erhard had made no secret of his disillusionment the French president's European policy and stated in 1964 'that West European integration in the spirit of the Treaty of Rome could under no circumstances be realised as long as de Gaulle was alive' (Hacke, 1997, p. 109).

‘Right from the start Erhard did not make a secret of his essentially anglophile attitude, which was, as one may say, shared in large parts of the German elites and he also let it be publicly known that the Federal Republic would welcome British accession to the EEC in the near future (...) Declarations of good-will do however not constitute policy and even more so as Erhard did, against all expectations, not manage to sustain his position in the domestic political arena for long’ (Mommson, 1999, p. 204)

In spite of the fact that, since the Elysée Treaty, the institutionalisation of the Franco-German alliance on many different levels has brought about ‘many kinds of Franco-German relationships (...), not necessarily in synchrony or harmony with that of the political leaders’ (Webber, 1999, p.168), the functioning of the alliance has nevertheless, depended a great deal on the mutual understanding between both countries’ heads of government. The relationship worked best when especially the (West) German Chancellor and the French president managed to establish a close personal relationship, based on the mutual acceptance of each other’s position. That is why under the long-lasting leadership of General de Gaulle in France, Franco-German relations have repeatedly shipped into troubled waters.

Although the Federal Republic’s first Chancellor Adenauer made great efforts to maintain the Franco-German alliance, de Gaulle’s often very nationalistic and at times uncompromising stance did in the end prevent the two leaders from establishing a close personal relationship<sup>167</sup>. De Gaulle had a tendency to stress his perception of France as an independent Great Power which would be the dominant partner in the Franco-German relationship. This not only disconcerted Adenauer but also his successors Erhard and Kiesinger<sup>168</sup>.

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<sup>167</sup> Christian Hacke stresses that the relationship between Adenauer and de Gaulle was characterised by an underlying tragic, because ‘de Gaulle, who was adored by Adenauer, pursued interests that were fundamentally different from those of Adenauer and who tried to use his political obligingness for his own ambitions with regard to power politics’ (Hacke, 1997, p. 82).

<sup>168</sup> De Gaulle did not only reject any West German plans for the deepening of European integration but also criticised the West German leadership for the lack of support for the French position in the aftermath of the *Elysée Treaty*: ‘After 18 months of his application one can say that (...) the Franco-German treaty, up to now, has not lead towards a common position’ (*Dokumente*, 2000, p. 43).

Relations only improved after a change of presidency in France in June 1969, when the more pragmatic Georges Pompidou had been elected. Pompidou gave up both the French resistance towards the British membership application, and was also ready to compromise on a number of issues in order to move the integration process forward. Although, especially after the election of the first West German SPD Chancellor Willy Brandt, Franco-German relations were better than under de Gaulle, they never reached the level of personal friendship<sup>169</sup>. This was only achieved under their successors Schmidt and Kohl, who both managed to bring the relations between France and Germany to a new level.

Both Helmut Schmidt and Valéry Giscard d'Estaing in the mid-1970s, and their successors Helmut Kohl and François Mitterrand in the 1980s, came to a personal understanding and friendship which allowed them prove that Franco-German relations really deserve to be called an alliance or axis when they function smoothly. Under both leadership combinations, the Franco-German partnership indeed became a motor for European integration and helped to advance major initiatives.

Based on close personal consultations between the leaders, initial differences were cleared up before official negotiations on Community initiatives were publicly brought forward, which greatly improved the ability to act as a leading duo on the Community level<sup>170</sup>. Although this is certainly not the only aspect which decides if the relationship between France and Germany works, it is a point which must not be underestimated with regard to its importance. In spite of the institutionalisation of the Franco-German alliance, the question if French and German leaders had come to a personal understanding of their mutual points of view has often had a decisive impact on the quality of the relationship.

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<sup>169</sup> For Brandt's personal assessment of the relationship with Pompidou see Brandt, 1989, pp. 256 and p.489.

<sup>170</sup> Especially Helmut Schmidt has provided a detailed description of the way the collaboration within the Franco-German alliance reached a peak when it was based on the personal friendship between him self and Valéry Giscard d'Estaing in the 1970s. Both leaders had prepared the creation of the European Monetary System (EMS) in 1978, which became the basis for Economic and Monetary Union and had acted jointly on a number of other initiatives. Schmidt describes the period of collaboration between him and Giscard as 'German-French red-letter days', which were based on an understanding of history and the need to move forward in Europe, 'from which we both took for granted that the other would share it' (see Schmidt, 1990, p.215-213 and Schmidt, 1996, p.261).

Because the institutionalisation, which has been set out in the Elysée Treaty, includes regular bilateral consultations between the German Chancellor and the French president<sup>171</sup>, the personal level of understanding can be crucial for the quality of the relations of the two countries as a whole. It is therefore fair to say that

‘(...) effectiveness of the “special relationship” depends in part upon the warmth of relations maintained between leaders, although such relationships are always underpinned by other, ultimately more consequential considerations’ (Cole, 2001, p. 48)

The fact that relations between France and Germany improved under the leadership of Schmidt/Giscard and Kohl/Mitterrand also explains why during the period between the late 1970s and early 1990s substantial progress in European integration could be achieved. After a relative stalemate in the integration process in the 1960s and early 1970s, the Franco-German couple now jointly managed to push towards further steps in European integration.

Although both countries’ motives for the support of each of the projects achieved remained different and focused on domestic interests, progress was achieved because of the willingness from both sides to compromise and to listen to each other’s concerns. The succeeding combinations Schmidt/Giscard and Kohl/Mitterrand worked because they were based on the mutual acceptance of each other’s national interests in the integration process. Both Schmidt and Kohl accepted the fact that France’s main interest was to bind the Federal Republic as deeply as possible into a European framework. They were therefore ready to go along with this French desire, as long as their domestic economic considerations were taken into account by the other side and progress towards the further deepening of the integration process could be made.

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<sup>171</sup> Douglas Webber stresses that between 1982 and 1992, there were 115 meetings between the German Chancellor and French president, a number which exceeds any bilateral contacts with leaders from other countries. (Webber, 1999, p. 2)

On the French part, both Giscard d'Estaing and François Mitterrand basically accepted the fact that the continuing integration of West Germany could only be maintained if, instead of aspiring independent Great Power ambitions, France was ready to integrate itself deeper into the Community framework. Instead of promoting a fake idealism towards European integration, the Franco-German alliance was now based on a more realistic approach from both sides. Helmut Schmidt stresses this in a self-critical assessment of the motives behind his and Giscard's interest in the deepening of integration:

'The strategically thinking French knew of course that a permanent integration of Germany could only be achieved, if France would integrate itself in the same way (...) for Giscard d'Estaing it was natural. (...) Giscard and I have probably made the mistake, not to talk about it clearly enough in public. (...) Our goal of the self-integration of both our nations and states was widely mistaken as idealism by the public. Giscard and I failed to explain in sufficiently clear words that we actually pursued central, mutual national interests' (Schmidt, 1996, p. 262)

Hans-Dietrich Genscher, who had served as German Foreign Minister both under Schmidt and Kohl, comes to a similar assessment of the relationship between Kohl and Mitterrand, who, like Schmidt and Giscard, based the Franco-German alliance on personal friendship and close consultations:

'Not only had a political friendship developed between Chancellor Helmut Kohl and President Mitterrand for quite some time, which was based on the awareness of the common responsibility. From that resulted an effort, to achieve common action and to use this correspondence for European integration' (Genscher, 1995, p. 379)

The mutual understanding under Schmidt/Giscard and Kohl/Mitterrand proved that the partnership between France and Germany can indeed act as a motor of the integration process when both partners pull together. Schmidt and Giscard jointly initiated the European Monetary System (EMS) in 1978, which lay the foundation for the later steps towards Monetary Union.

The Schmidt administration was very interested in the creation of the EMS, because it was a first step towards greater European independence from the US Dollar, which had put the European economies into crisis after the collapse of the Bretton Woods system in 1973 and the succeeding oil crisis (Schmidt, 1990, p. 248). Although, mainly due to the strict monetary stabilising policy of the *Bundesbank*, the *Deutsche Mark* became the leading currency within the EMS, the West German government had not sought the creation of the EMS framework in order to reinforce *Bundesbank* power over the rest of Europe<sup>172</sup>. The West German motives were more focused on 'stabilising its economic surroundings through an institutionalised EMS with a common currency as a perspective' (Guérot, Stark and Defarges, 1998, p. 129-165). In the end, the Federal Republic was therefore less worried about the loss of monetary power in Europe than it was interested in integrating its powerful monetary assets into a European framework in order to end French and European worries about West German economic power.

The French, on the other hand, were ready to engage inside the EMS because, although they realised that they would be bound to the interest rate policy of the *Bundesbank* in such a system, it would be the first step towards merging the West German currency into a Single European Currency. Apart from giving the French government a greater influence on monetary matters on the European level than it would have had outside the system, the EMS consequently helped the French to come an important step closer towards their strategic goal of monetary union.

Although having been traditionally reluctant to agree to the pooling of national sovereignty on the European level in crucial areas, monetary integration was a prime example of how France turns into an advocate of the deepening of integration in areas, where the transfer of sovereignty actually leads to greater influence:

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<sup>172</sup> On the contrary, the Schmidt administration actually had to defend itself against fierce criticism from leading *Bundesbank* economists, who were strongly opposed to the creation of the EMS as they feared it would threaten their *DM-Stabilitätspolitik* (Schmidt, 1990, p.251-252 and p.259).

'In reversal of the traditional dynamic, the French government – along with others – learnt the lesson that sovereignty could be recovered by the solution of Europeanisation. Since monetary sovereignty had already disappeared, a single currency would allow the French and others to recover elements of national sovereignty by promoting European solutions' (Cole, 2001, p. 93)

The mutual agreement between Schmidt and Giscard that the deepening of economic and political integration would be advantageous for both countries continued under Kohl and Mitterrand, who both helped to establish the Single European Act (SEA), which lay the basis for the major integrative steps set out in the Maastricht Treaty. The 1987 Single European Act, in which it had been determined to realise the Single European Market by the end of 1992, provided the economic basis for a Single European Currency. Its proposals had been developed in close co-operation between the European Commission under Jacques Delors and a triple alliance between the French, the German and the British government. They had been made possible not only because all three governments shared the desire to liberalise European markets, but especially because French president Mitterrand, whose country held the EC presidency at the time 'began to adopt the rhetoric of European federalism' (Moravcsik, 1991, p. 51).

The French and the German leadership were therefore once again united in their desire to advance the integration process, which is why, in the aftermath of the SEA, the basis for the moves towards the creation of a European Union with a single currency could be laid. Strongly supported by both France and Germany (with the exception of the *Bundesbank*), the European Council decided to install an expert commission under the leadership of Jacques Delors, which would develop a step-by-step plan towards European monetary union. The final report of the Delors expert commission in June 1989 proposed to move towards monetary union in three steps, with the final step being the transfer to irrevocable exchange rates with a Single European Currency (Tsoukalis, 2000, p. 159).

Although the details of each different stage of EMU still had to be decided on by the European Community, the Delors report had finally provided a framework for the major integration project, which had been pursued by the French since the 1960s.

That its initiation coincided with another major event, the emerging end of the division of Germany into two separate states, strengthened the French interests in the further deepening of economic and political union in Europe. The path towards the Maastricht Treaty had therefore been paved in 1989/90, but it would also soon become apparent how much the Franco-German partnership would change under the new post-Cold War conditions.

### **3.2. After Maastricht: End of the mutual consensus**

From the French point of view, the prospect of the reunification of the two Germanys was a most unwelcome turn in history, especially at a time when the partnership between France and West Germany was functioning very well and crucial decision were imminent. In spite of their official rhetoric, French leaders had always considered the existence of two German states to be beneficial for the stability of Europe. In more than four decades since the end of the Second World War, they had found a way to successfully bind the West German Federal Republic into an economic and political European framework. Moreover, they had secured a leading role for their country in Europe, based on the close bilateral partnership with West Germany.

The politically semi-sovereign West Germans had always been the junior partner in this relationship, at least in political terms. It was therefore not surprising that, although the French generally welcomed the looming end of the Cold War in Europe in the course of 1989, they were rather worried about the developments in the East German GDR. The increasing signs that the East Germans not only wanted to shake off their communist regime, but in fact sought reunification with their fellow countrymen in the West, had made the prospect of German unification more likely. In spite of the cordial relations between French and German leaders during the Kohl/Mitterrand years, the official French reaction towards the notion of German reunification remained rather cool and was limited to kind remarks.

When it became clear, that the Soviet leadership under Gorbachev would not oppose a peaceful process towards reunification, French president Mitterrand publicly expressed his rather lukewarm support, which showed that the French had deep reservations about the notion:

‘I simply say, reunification is legitimate for those who pursue it, here and there, in whatever part of Germany, like Mr Gorbachev has just expressed it. What does reality look like? Two Germanys, which are integrated into systems, which are different in every respect: economically, socially, politically, they belong to different alliances, as they exist with states, sovereign states. This causes many problems (...)’<sup>173</sup>

When Chancellor Kohl presented his 10 point plan to the German Bundestag on November 27th 1989, in which he outlined plans for a confederation between the two German states, the French leadership became increasingly alarmed, especially because they had not been consulted by Kohl beforehand. On December 6<sup>th</sup> 1989, President Mitterrand flew to East Berlin to hold talks with the SED leadership, a move which was widely considered as a flawed attempt to stabilise an East German state, the collapse of which had been inevitable. As the pace of the events would show, Mitterrand had fundamentally underestimated the desire of East Germans to reunite with their West German neighbours. He had clung to an unrealistic balance of power idea, which continued to be based on the necessity of the existence of two German states in Europe:

‘France’s interest, moreover, was related to guaranteeing the European balance of power for as long as no new balance was able to replace the old order established by Yalta. It is fairly safe to say that Mitterrand reckoned on a long, drawn-out process of unification’ (Guérin-Sendelbach and Schild, 2002, p. 35)

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<sup>173</sup> Joint press conference of French president Mitterrand and Soviet general secretary Michail Gorbachev, Paris, 5 June 1989, source: *Dokumente*, 2000, p. 109.

After it became clear that the process of German reunification would be unstoppable and would neither be resisted by the Soviet, nor by the U.S. leadership, France bowed to the inevitable and tried to make sure that the now substantially larger Germany would be tied even deeper into a European framework. As the Kohl/Genscher administration had been anxious to calm any fears about German reunification amongst its neighbours, the French leadership found it easy to obtain assurances from their part that the unified Germany would actively engage in the deepening of the European integration process<sup>174</sup>. In order to avoid the de-Europeanisation of the united Germany's foreign policy, the French therefore made every effort to accelerate the pace of the integration in the aftermath of German reunification. In this respect, German reunification had thus made the way towards the Maastricht Treaty easier, as the Kohl administration realised that the price for French consent to German reunification was to go along with French concepts for the development of Europe.

The 1990/91 Maastricht negotiations were therefore dominated by the French desire to adapt the European Community's institutional framework to the fundamentally changed international environment after the end of the Cold War. French leaders realised that the larger and fully sovereign Germany would in the long run not only become more powerful in economic terms, but its political importance would also increase significantly. The urgent need to integrate the unified Germany hence outweighed any French reservations about the pooling of national sovereignty on the European level.

As a result, the Maastricht Treaty led to a complete overhaul of the European Community with a number of integrationist measures, which pooled more national sovereignty on the Community level than ever before since the Treaty of Rome. Although strongly supported by the Kohl administration, which had for quite a while advocated the deepening of political and economic integration, the Maastricht Treaty can be regarded as an essentially French design.

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<sup>174</sup> In his memoirs, the then German Foreign Minister Genscher describes how president Mitterrand openly expressed his worries about the lack of German commitment towards the integration process. Bonn responded by reassuring the French of their willingness to bring the process forward: 'Mitterrand reckoned that everything would be possible with regard to the German question, if the Germans helped to build Europe (...) I wanted to thank the French president for his attitude towards German unification; it would be of historic importance for us. And our response towards European integration would be as well.' (Genscher, 1995, p. 680).

With the exception of Monetary Union, the dense and complicated structure of the European Union which has been established by the Maastricht Treaty was essentially influenced by the structures of the French political system. As the French state has a tendency to centralise power, rather than to devolve it to smaller units, French representatives advocated a model for the European Union, which is characterised by massive regulation and bureaucracy:

‘The concentration of power at the centre of Europe (...) clearly reflects the instincts of a political élite shaped by the French form of the state (...) By using Brussels and the post-Maastricht process to gain an important say in the government of Germany, the French political class has the opportunity to prolong French dominance by way of projecting the French model of the state, a bureaucratic model, on the whole of Europe’ (Siedentop, 2000, p. 115)

As Alistair Cole points out in support of Siedentop’s argument, especially the internal design of the EU institutions, which has been further complicated by the Maastricht Treaty, clearly represents an export of French institutional traditions. In contrast, although German elites have not found it too difficult to adjust to Community proceedings and structures, mainly because of their domestic tradition of co-operative federalism, they have nevertheless not been as efficient as their French counterparts in taking over key positions on the Community level. The French have hence been more successful than any other member state in their ambition to use the EU for their own national purpose:

‘(...) France uses the European arena as a means of exporting ideas, policies and administrative styles (...) The European institutions were modelled along French lines; hence the role of *Cabinets*, and *Directions Générales* in the Commission. The French model of the *concours* was that adopted for recruitment to European institutions; this might explain the reputation for effectiveness of French civil servants within the Commission and elsewhere. France was reputed for its efficacy in placing its nationals in key directorates in areas of overriding national interest (such as DGV1, Agriculture, while no such reputational mastery has been attributed to Germany. In contrast to Germany, France offered a model of strong,

centralised EU coordination rivalled only by the British and Danish.’ (Cole, 2001, p. 59-60)

It was hence not surprising, given these circumstances, that the German domestic discussion about the implications of the Maastricht Treaty turned out to be rather negative and critical. The fact that Kohl and Genscher had agreed to a treaty which not only contained an obscure network of regulation, but also decided to rush towards monetary union, led to severe domestic criticism in Germany. The overall media echo was critical<sup>175</sup> and even prominent advocates of European integration, such as the former Chancellor Helmut Schmidt characterised the treaty as ‘the monstrous Maastricht packet’<sup>176</sup> (Schmidt, 1993, p. 214). In member states, where the ratification of the treaty depended on a public referendum, it was either rejected in the first instance (like in Denmark) or only accepted by the tiniest of majorities (like in France<sup>177</sup>). The criticism in Germany especially focused on the planned design for Economic and Monetary Union and the question if the German government would have the constitutional rights to transfer such an enormous amount of national sovereignty to the Community level.

The German constitutional debate, which had to be clarified by a decision of the *Federal Constitutional Court* in October 1993<sup>178</sup> had put Germany in the strange position of having become the brakeman in the Community.

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<sup>175</sup> See *Dokumente*, 2000, p. 126.

<sup>176</sup> Schmidt put his criticism of Maastricht in concrete form by stressing the sheer size of the treaty, which included a lot of unimportant visionary elements: ‘The treaty suffers from its monumental complexity. It contains in total more than 200 printed pages, including its 17 added protocols and 33 declarations, as well as the repeatedly changed text of EC Treaty, which is still in force’ (Schmidt, 1994, p. 168).

<sup>177</sup> Even the French public considered the treaty to be an excessive bureaucratic design for Europe, which is why the French government was struggling to win the public referendum. On September 20<sup>th</sup> 1992, the treaty was accepted by a majority of 51,05% of the votes. This was not a very promising basis for the newly created European Union. (*Dokumente*, 2000, p. 129)

<sup>178</sup> In its official ruling on the Maastricht Treaty on 12 October 1993, the *Federal Constitutional Court* had made clear that the Federal government had the right to transfer national sovereignty as part of its membership of an international organisation such as the European Community. *Bundestag* and the *Länder* in the *Bundesrat* would, however, always have to be consulted. As a result, a new article 23 was included in the *Grundgesetz*, the so-called ‘Europe article’, which clarifies this procedure. (see Hacker, 1995, p. 281)

As the last country to ratify the Maastricht Treaty after the *Bundestag* decision on December 2<sup>nd</sup> 1993, Germany had significantly delayed the point when the treaty could finally be ratified.

The fact that the Maastricht Treaty had set the timetable towards Economic and Monetary Union has widely been seen as a major concession towards the French by the Kohl administration. A number of analysts have classified it as the price the Kohl administration had to pay for the French consent towards reunification (see e.g. Webber, 1999, p. 22; Bulmer, Jeffery and Paterson, 2000, p. 99; Guyomarch, Machin and Ritchie, 1998, p. 119; Bulmer, 1997, p. 70). It is certainly true that the Germans, although they principally supported the idea of monetary union, were far more interested in political integration and would have preferred a slower timetable towards EMU. Opposition towards the blank cheque Kohl had given the French in terms of monetary union therefore not only came from leading economists, but also from within Kohl's governing coalition. The then finance minister Theo Waigel, leader of the CDU's Bavarian sister party CSU, had come under intense pressure from his party to insist on the inclusion of a stability pact in the Maastricht Treaty. The Bavarian Prime Minister Edmund Stoiber feared that due to the apparent public hostility towards the abolition of the *Deutsche Mark* at the time<sup>179</sup>, the CSU might lose the support of many of its Conservative voters in Bavaria if a CSU finance minister rushed Germany into monetary union without any stability guarantees<sup>180</sup>.

The strict stability pact which was then included in the Maastricht Treaty in December 1996 due to the German insistence, was an obvious continuation of the traditional post-war *Bundesbank* policy. Not only would membership of the single European currency be based on strict economic criteria but, even more so it would be based on a Europeanised form of the *Bundesbank* model.

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<sup>179</sup> Between 1995 and 1998, a persistent majority of the German public (about 60%) opposed the idea of a single European currency and rather dreaded the notion of having to abandon the *Deutsche Mark*. (Noelle-Neumann, 1999, p. 595-98).

<sup>180</sup> The Bavarian Prime Minister publicly insisted that fiscal stability would have to be the prime target for the European single currency. (*Die Welt*, 'Währungsunion unter Beschuß – Politiker streiten um das 'Einfuehrungszenario', 4 November 1995).

The fact that the Kohl administration had used domestic German pressure to push through a German model of EMU, which would be based on strict convergence criteria and a politically independent European Central Bank, not only worried the French leaders but also stirred up French domestic opposition. Although Kohl had brushed aside the notion of a public referendum on EMU, he realised that he had to take into account domestic scepticism about the stability of the single currency. He thus used the domestic pressure to make it clear to France and the other European partners that Germany would have to insist on a stability pact and an independent Central Bank model (Anderson, 1999, pp. 48-49).

On the French part, the German demands with regard to the conditions of EMU were seen as a first indication of the new arrogance of the larger Germany. The French found it hard to come to terms with the fact that, contrary to their initial experiences during the 1990/91 Maastricht negotiations, the unified Germany would be a far more difficult partner than its West German predecessor. Mainly because of the altered domestic political environment in the unified Germany, in which the main focus was now on financial issues and the costs of structural and economic transformation in the East German *Länder*, German leaders were far more adamant to secure the German financial and economic interest on the EU level. From the French perspective, this amounted to an attempt to impose German economic and fiscal priorities on the rest of the EU:

‘As far as the French are concerned, German policy towards Monetary Union put considerable strain on Franco-German relations – and hence on the one long-term project which Germany and France have been pursuing together (...) Germany was obviously exploiting its influential position as the most important participant in EMU to make its own ideas on stability obligatory in Monetary Union and, to this end, used its own considerable domestic opposition to Monetary Union skillfully – and thoroughly credibly – as a means of putting pressure on its European partners’ (Guérin-Sendelbach and Schild, 2002, p. 40)

The post-Maastricht debate consequently obviously uncovered the major differences between French and German interests, which had been concealed during the Maastricht IGC. Because the French considered EMU to be an indispensable project in order to effectively integrate the economic power of a larger Germany in Europe, French leaders were ready to leave aside many of their original intentions with regard to EMU's structural design. The fact that the French had to realise that they would not be able to win over the Germans in their goal to establish an economic governmental framework for the EU as part of the single currency led to increasing frustrations on the French part. After the high point of Franco-German co-operation before and during the Maastricht negotiations had passed, relations between the two countries were hence increasingly characterised by diverging interests and opinions.

The disagreement about the final structure of *EMU* played a major part in this development, as

'the succeeding and permanent tensions in the Franco-German discussion about EMU can for a major part be explained as a result of the desire of parts of the French decision-makers, under pressure from the French public, to want to break out of the treaty regulations (e.g. absolute independence of the European Central Bank) and to return to original French ideas' (Guérot, Stark, Defarges, 1998, p. 134).

As a result, in contrast to the previously *bonne entente* between French and German leaders, the post-Maastricht relations between France and Germany were increasingly characterised by a lack of mutual trust. The traditional Franco-German approach of finding common ground before crucial negotiations, in order to be able to act as a motor of the integration process, did hardly occur after 1992. Instead, from the mid-1990s onwards, differences about policy details and especially institutional arrangements dominated Franco-German discussions. The Franco-German motor consequently increasingly lost its power and repeatedly even turned into a brake pad within the EU.

A major factor in this development was that François Mitterrand had failed to use his cordial personal relations with Helmut Kohl to sort out the disagreements with regard to EMU, before he stepped down as president in 1995. Although Mitterrand had ignored French domestic opposition towards the German conditions of EMU, in order not to endanger its realisation, he was still intent to pursue the French goal of getting strong political control over the officially independent European Central Bank.

His successor, the neogaullist Jacques Chirac, who showed a far more brisk and nationalistic attitude in Europe, therefore continued to pursue this goal with vehemence. He was supported in this by his cohabitation partner, Socialist Prime Minister Lionel Jospin, who had won the French general election in 1997. In spite of a public display of personal friendship, Kohl and Chirac had never managed to establish a personal relationship similar to that between Kohl and Mitterrand (Cole, 2001, p. 111; Guyomarch, Machin and Ritchie, 1998, p. 40) which had been crucial for the integration process. It was hence not surprising that the unsolved disagreements between France and Germany were far harder to settle in the post-Mitterrand era. The fundamental disagreement between French and German leaders on the future design of an EU with a single currency consequently continued to drive a wedge between the once cordial partnership:

‘Both Mitterrand and Chirac indicated that once the currency was introduced, the ECB would be flanked by the finance ministers, who, in the French view, would set the parameters of monetary and exchange rate policy. In other words, there was to be a significant role for national fiscal policies within a single currency area (...) The German government by contrast emphasises the independence of the ECB, contests recurrent French references to a parallel role of national fiscal policies, and interprets the Treaty as imposing strict fiscal constraints before and after 1999’ (Webber, 1999, p. 38)

This became more than obvious at the June 1997 IGC in Amsterdam, which was supposed to revise the regulations of the Maastricht Treaty in order to make EU structures and procedures more transparent.

At the summit, the stability pact for the EMU was supposed to be officially adopted by the EU member states. The newly elected Jospin administration had initially insisted on a combination between the stability pact and a common European employment policy (Giering, 1997, pp. 327-328). Furthermore, the French side even expressed the desire to establish an economic government on the Community level as a counterweight towards the politically independent ECB (Weidenfeld and Giering, 1998, p. 32). This was of course completely unacceptable to the Kohl administration, which had a dislike of socialist interventionist policies. Moreover, the German side was especially worried about the financial implications of such measures.

Kohl therefore fiercely opposed any attempts to provide extra budget funds for a European employment policy and the first half of the summit plunged into chaos<sup>181</sup>. A compromise could only be found in the last minute and consisted of the establishment of a rather vague co-operation between the employment policies of member states under the framework of an employment committee, for which no extra financial spending should be freed (Giering, 1997, p. 330).

It became clear that the German side was rather ready to risk the failure of the IGC than to give up its position on crucial issues of national interest. This was remarkable as it clearly showed that France was no longer capable of forcing the larger and increasingly self-confident Germany to go along with French interests:

‘France appeared weak and isolated in the absence of an effective Franco-German relationship; it needed the special relationship far more than Germany, which demonstrated an uncharacteristic unwillingness to agree with France in the name of Franco-German solidarity’ (Cole, 2001, p. 68)

To the astonishment of the other EU member states, France and Germany were no longer helping to advance the integration process but rather hampered its progress because of their national differences on crucial issues. Amsterdam had made it obvious for both partners and the rest of the EU, how much the former *entente cordiale* had changed since the reunification of Germany.

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<sup>181</sup> See *Die Welt*, ‘Gelassenheit nach der ‘Nacht der langen Messer’, 19 June 1997.

Gone were the days when both partners made every effort to come to mutual agreements. Instead, while the unified Germany could no longer afford to give ground on financial issues due to the severity of its domestic economic problems and was prepared to defend its national position, France complained about the lack of European spirit on the German side.

The French Foreign Minister Hubert Védrine carefully put these changes into words in 1998, when he hinted at the changed relationship between France and the larger Germany, which now defends its interests in a similar way to France:

‘The personal relations with Germany are good but the situation and therefore the relationship are no longer exactly the same like before. Without somebody having intended it, the French and German interests diverged during that period. The unified Germany defends its positions without any complex. I am not saying it, that Germany has become less European, but it is, as France is: it does what it has to do.’ (*Dokumente*, 2000, p. 163).

That the events at Amsterdam had not been a one-off and Maastricht had indeed become a turning point in the post-war Franco-German relations (Siedentop, 2000, pp. 114-115) became even clearer at the EU summit in Brussels in May 1998.

Again France and Germany found themselves on opposite sides and argued about who should lead the European Central Bank, which was to be set up in Frankfurt. The fact that the French had both given in to the German desire to base the single currency on a stability pact and agreed to Frankfurt as the location of the ECB made them more confident about wanting to have a say in the choice of its leadership. The French thus favoured Jean-Claude Trichet, president of the French central bank as head of the ECB, because they hoped that it would be easier to exercise some political influence on the bank if it was lead by a Frenchman. The Kohl administration, in contrast, was very interested in making sure that the ECB’s independence from political influence, as set out in the Maastricht Treaty, would be adhered to. As a result, the Germans opposed the Trichet nomination and supported the appointment of the Dutch candidate, Wim Duisenberg, who had a reputation for pursuing a policy of monetary stability (Bulmer, Jeffery and Paterson, 2000, p. 100).

The Franco-German disagreement on such a crucial appointment took place at the most unfortunate time, namely during the first British presidency under the leadership of the newly elected British Labour government. The Blair administration had been too unexperienced in European affairs at the time to act as an efficient mediator between the French and Germans. The summit therefore ended in chaos with an outcome which was both politically and economically damaging for the EU: Wim Duisenberg had officially been nominated for the 8 year period as ECB president but, from the French point of view, he would have to step down after half of his period in office in favour of their candidate Trichet. The lack of consensus between France and Germany on the issue had led to a lame duck-presidency of the ECB, which seriously undermined the credibility of the single currency and was therefore widely criticised<sup>182</sup>.

For those who had seen the public disagreements between France and Germany the Amsterdam IGC as an unfortunate one-off incident, the Brussels summit had finally made obvious that the Franco-German engine had seriously started to stutter, with dire consequences for the rest of the EU. While the Franco-German tandem had acted as a motor for European integration in the past, it now proved to act as a brake to further progress and sensible outcomes. It became clear that ‘when Franco-German conflicts on such issues remain unmediated, this tends to produce deadlock, if not crisis, in the EU policy process (...)’ (Webber, 1999, p. 176).

What many had anticipated after German reunification, had actually occurred. In the aftermath of Maastricht, both partners have found it increasingly hard to adapt to the changed balance between them. Especially the French side seems to find it difficult to come to terms with the fact that the larger, fully sovereign Germany is no longer willing to act as a junior partner. While the semi-sovereign Bonn republic realised its political dependence on the French partner, which allowed the West Germans to influence major decisions on the Community level as part of a bilateral leadership alliance, the larger Germany is no longer limited to this option.

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<sup>182</sup> It was mainly the British presidency which was criticised at home and in the rest of Europe for having failed to reign in the French demands and allowed a damaging outcome for the ECB (see *Die Welt*, ‘Nach Gipfel-Chaos sinkt Blair-Fieber in Europa’, 5 May 1998).

The fully sovereign Germany, which is now on an equal political level with France, is less willing to sacrifice its own interests for the sake of the Franco-German partnership. As German domestic political and economic problems have increased in the wake of reunification, and continue to plague the German economy, German leaders have become more focused on making sure that their financial and economic interests are secured. French disappointment about a lack of German commitment to the Franco-German alliance was therefore unavoidable, as

‘Germany now exercises considerable influence on European policy debates through unilateral semi-official policy statements and not within the context of the Franco-German (...) initiatives, something which was inconceivable in the seventies and eighties’ (Guérin-Sendelbach and Schild, 2002, p. 46)

The spanner in the works in the post-Maastricht Franco-German relationship hence consists mainly of a new German self-perception to have become a ‘normal’ state like any other in Europe and the French refusal to deal with Germany on an equal political level. The Franco-German disagreements which had occurred in the last few years of the Kohl era should thus have been a warning sign for both partners to try to find a new basis for their partnership under the altered circumstances. Under these new circumstances, as Stephan Martens rightly points out,

‘France and Germany can however only play the role of a common motor for the European Union on the basis of equality. In the meantime, the representatives of the ‘Berlin Republic’ are, however, less willing to let France have the leading role in Europe’ (Martens, 2002, p. 27)

For France to have wholeheartedly accepted the political equality of the unified Germany would have been a precondition for the continuing success of the Franco-German alliance. The fact that French leaders have failed to do so, has shipped the relationship into previously unknown troubled waters.

### 3.3. Towards increasing flexibility: France and Germany in the post-Nice EU

The 1998 general election in Germany, which brought a new post-war generation of political leaders to power and ended the 16 year-long era under Helmut Kohl, also had a profound impact on Franco-German relations. The SPD/Green party coalition under the leadership of Chancellor Gerhard Schröder showed a new attitude towards the integration process and the partnership with France. Already in opposition, Schröder had expressed his view that the unified Germany would have to readjust its European policy in terms of greater cost-effectiveness. Schröder announced that under his leadership, Germany would still be a promoter of European integration, but only if there was a balance between costs and benefits. On top of it, although not denying the continuing importance of the partnership with France, Schröder stated that his goal would be the creation of a new leadership triangle between Germany, France, and Britain within the EU<sup>183</sup>.

It had become clear that Germany was now lead by a Chancellor who, mainly because he had no personal experience of the scars of the two World Wars, belonged to a younger, more pragmatic generation of politicians in Europe. Schröder would therefore lay an even greater focus on Germany's domestic interests than Kohl had done in the wake of the Maastricht Treaty. Immediately after the September 1998 German election, French leaders had had high hopes for the revival of the Franco-German alliance. During the brief period in office as German finance minister of the francophile SPD leader Oskar Lafontaine, the emergence of a new Franco-German axis in the EU seemed indeed promising<sup>184</sup>.

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<sup>183</sup> Interview with Gerhard Schröder in *Die Zeit*, 9 September 1998, 'Schröder: Jetzt sind die Pragmatiker die Visionäre'.

<sup>184</sup> During his period in office, Lafontaine had tried to intensify the co-operation with France, especially with regard to the development of a harmonised European economic and finance policy. Both he and the then Socialist French finance minister Strauss-Kahn had put forward a number of joint initiatives for interventionist economic policies on the European level (see joint article in *Die Zeit*, 'Europa – sozial und stark, Märkte brauchen die ordnende Hand des Staates', 3/1999).

Lafontaine had strongly criticised the Schröder-Blair paper and had refused to accept any notion of closer co-operation between Germany and the UK: 'We can only advance European integration in co-operation with France. Britain will still occupy a special position for the foreseeable future' (Lafontaine, 1999, p. 193).

After he resigned as finance minister and SPD leader in March 1999, the francophile element within the Schröder administration had almost disappeared and was, if at all, only still represented by Foreign Minister Fischer, although with less enthusiasm than under Lafontaine. The first German EU presidency under the leadership of the Schröder/Fischer administration in the first half of 1999 had thus set out clear demands with regard to institutional reforms and budget arrangements:

‘It will be a first main emphasis of the Council presidency, which Germany takes over on January 1<sup>st</sup> 1999, to already conclude the negotiations for the “Agenda 2000” at a special meeting of the European Council in spring 1999. It will have to deal with duties, expenditures and the financing of the European Union. Within the framework of the revision of the EU’s finances we want to come to a fairer share of the contributions and to reduce the German net burden to a fair level.

With regard to CAP, we will be committed to fundamental changes. Where the alignment of prices with the global level disadvantages German farmers, we have to push through a system of direct income subsidies, which can also be supplemented on the national level’<sup>185</sup>

The new German leadership had consequently made clear straight away that it would push towards institutional and procedural reform in the EU. Especially the issue of the reform of CAP and the revision of German budget contributions in general were likely to meet French resistance. At the Berlin European Council summit on March 24<sup>th</sup> and 25<sup>th</sup> 1999, the French government vetoed substantial reform of the funding principle of CAP and also prevented a substantial reduction of the German budget contributions<sup>186</sup>.

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<sup>185</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, 10 November 1998, [www.bundeskanzler.de/Regierungserklaerung-.8561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm](http://www.bundeskanzler.de/Regierungserklaerung-.8561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm).

<sup>186</sup> See *Presidency Conclusions of the Berlin European Council*, 24 and 25 March 1999, <http://ue.eu.int/Newsroom/LoadDoc.asp?BID=76&DID=57322&LANG=1>.

At the end of the German Council presidency, the Schröder administration hence had to admit that its original plans for far-reaching reforms would had to be postponed to the next IGC in 2000, in order to avoid another stalemate in the EU<sup>187</sup>. The adoption of the *Agenda 2000* was crucial in order for the enlargement process to go ahead, a project which Germany strongly supports. Schröder and Fischer therefore realised that they could not risk to stop the necessary funds for enlargement to be frozen, just because France would not go along with their demands for a fairer deal on the budget and CAP reform. This boiled down to

‘(...) the Federal Republic of Germany doing justice to its role as a honest broker – but the price to be paid was that Germany’s burden of contribution to the budget was not reduced to the extent it had wanted (and previously demanded)’ (Laux, 2000, p. 3)

During the preparation phase for the IGC in Nice in December 2000, it became even more apparent that France and Germany did no longer share common goals in Europe. When German Foreign Minister Joschka Fischer decided to set out his personal vision<sup>188</sup> of the future shape of the EU in a speech at the Humboldt University in Berlin in May 2000, he provoked reactions in France which ranged from concealed criticism to outright hostility. Fischer had touched the French sensibility on Europe on two points:

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<sup>187</sup> In his official statement on the EU summit in Cologne to the German *Bundestag* on June 8<sup>th</sup> 1999, Chancellor Schröder confirmed, that the substantial institutional and procedural reforms had not yet been achieved during the German presidency: ‘(...) we have agreed to the further proceedings with regard to institutional reform. An IGC will be held at the beginning of 2000, in order to make the EU ready for enlargement (...) And the last hurdles for the enlargement process will be removed with the conclusion of the IGC we have agreed on in Cologne.’

<http://www.bundestag.de/Regierungserklaerung-8561.8178/Regierungserklaerung-von-Bundestag-Gerhard-S...htm>.

<sup>188</sup> Fischer had explicitly stated that he had not made the speech as German Foreign Minister, which is why the ideas he expressed were not official government policy but his private thoughts. The manuscript of the speech therefore simply stated ‘Joschka Fischer’ as the speaker, with no reference to his official position as Foreign Minister. (*Süddeutsche Zeitung*, ‘Außenminister entwirft “persönliche Vision” – Fischer wirbt für europäische Föderation, 13 May 2000).

First of all, he had shown the courage to make his own proposals on the development of the EU without prior direct consultation with French leaders<sup>189</sup>. He had therefore confirmed the French view that the unified Germany was becoming too self-confident to make any efforts to maintain the pre-unification bilateral approach of making joint proposals on the future of Europe.

The French had already been angered by the *Schäuble-Lamers paper* in 1995, which in their opinion confirmed the suspicions about the new German intentions to create a German Europe (Cole, 2001, p. 80). As the French continue to strongly disapprove of German unilateral initiatives in Europe, the Fischer proposals were perceived as a major disruption of their preparations as EU Council presidents for the Nice summit. French leaders were thus angered by, as they saw it, Fischer's attempt to take the initiative on EU reform away from them, at a time when it would have belonged to them:

'The French Council presidency wanted to fully concentrate on the agenda of the Intergovernmental Conference (...) It considered itself to be distracted in its "pragmatic" approach towards the IGC by Foreign Minister Fischer's speech on European policy principles and the resulting broad debate about the future direction of the development and the shape of the EU' (Schild, 2001, p. 3)

Secondly, in the eyes of the French, Fischer's proposals were a clear indication that the Germans wanted to create a federal European superstate, along the lines of the German political system. Fischer's proposal to create a core federal Europe, based on a two chamber-European Parliament and even on a directly elected European president<sup>190</sup>, bore too many similarities to German federalism for the French to be able to accept it.

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<sup>189</sup> Franco-German consultations on the Fischer speech had been limited to notification between the planning staff of the German and the French Foreign Office.

<sup>190</sup> See '*From Confederacy to Federation – Thoughts on the finality of European integration*', Speech by Joschka Fischer at the Humboldt University in Berlin, 12 May 2000, <http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden/redene/r000512b-r1008e.pdf>.

The French reactions were correspondingly harsh, mounting in the French interior minister Jean-Pierre Chevènement's accusation that Fischer's proposals had shown that 'Germany had not yet overcome Nazism'<sup>191</sup>. He clarified his position in a succeeding debate with Joschka Fischer in the German weekly *Die Zeit*, in which he would not repeat his accusation. However, he still insisted that the Germans would cling to a definition of the nation which stemmed from the '*Volksidee*', while France would see the nation mainly as a political and cultural entity<sup>192</sup>.

Both the French Foreign Minister Hubert Védrine and president Chirac were more careful in their reaction towards the Fischer speech, but still could not conceal their dislike of the German unilateral approach. In a letter to Joschka Fischer<sup>193</sup>, Védrine expressed the view that 'it would be perfectly legitimate that the German Foreign Minister expresses his view in this debate with such force'. On the basis of this diplomatic nicety, he however left no doubt that the French government would not accept further German unilateral proposals on the future of the EU:

'It would therefore be best at this stage, if we would abstain from theoretical controversies about the various meanings of the word "federalism" (...)'<sup>194</sup>

In his speech to the German *Bundestag* on June 27<sup>th</sup> 2000, President Chirac laid out a vision, which was clearly different from the one Fischer had presented. Chirac stressed that the French wanted to maintain a strong intergovernmental basis for the EU, in contrast to Fischer's federal vision. He also clearly criticized the German attempts to push towards deeper European integration without consulting its partners:

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<sup>191</sup> *Le Monde*, 'L'Allemagne ne s'est pas encore guérie du nazisme', 23 May 2000, [www.lemonde.fr/recherche\\_resumedoc/1,9687,83423,00.html](http://www.lemonde.fr/recherche_resumedoc/1,9687,83423,00.html).

<sup>192</sup> *Die Zeit*, 'Streitgespräch Joschka Fischer contra Jean-Pierre Chevènement', 26/2000, [http://www.zeit.de/2000/26/200026\\_titelei.html](http://www.zeit.de/2000/26/200026_titelei.html).

<sup>193</sup> *Schreiben des französischen Außenministers, Hubert Védrine, an den deutschen Außenminister, Joschka Fischer*, 8 Juni 2000, (source: *Internationale Politik*, August 2000, 8, <http://www.dgap.org/IP/ip0008/vedrine080600.html>).

<sup>194</sup> *Ibid.*

‘Enlargement must not lead us to taking the bull by the horns. We will not allow that the European construction work is destroyed, which you and ourselves have been working on in co-operation with our partners for nearly half a century with such an amount of will and energy (...) Moreover, I am convinced that you cannot dictate the speed of the European construction work. To a large degree, it depends on to what extent our peoples identify themselves with Europe, feel part of it and are willing to “coexist” in a community of solidarity (...) Neither you Germans, nor we French want a European superstate, which would replace our nation states and mark the end point of their role as actors on the international stage’<sup>195</sup>

Chirac also went on to criticise the state of the relationship between France and Germany under a new post-war generation of German representatives. He called for renewed efforts on both sides to overcome an attitude, in which the relations are seen as a normality without the need for mutual consultation and dialogue:

‘Reconciliation between us has been completed. It is now a naturalness, a reality in daily life, which is normal to an extent that we do in fact no longer realise its dimension. And the new leadership generations, who have learned all this in the history books, maintain this reconciliation as a legacy, which does no longer rouse the same emotions amongst them like it did amongst their predecessors. Let us therefore make another attempt; let us return to the vigour of the years of foundation’<sup>196</sup>

Chirac’s speech was widely perceived as an unveiled criticism of the Fischer proposals and an attempt to regain the momentum in the EU, just before the start of the French Council presidency.

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<sup>195</sup> *Rede von Jacques Chirac, dem Präsidenten der Republik Frankreich, vor dem Deutschen Bundestag, 27 June 2000, [www.bundestag.de/cgi-bin/druck.pl?N=default](http://www.bundestag.de/cgi-bin/druck.pl?N=default)*

<sup>196</sup> *Ibid.*

*The Times* commented that Chirac's speech had to be seen as 'the most delicate of warnings to the German government not to go out on a limb'<sup>197</sup>. The German paper *Die Welt* assessed Chirac's response to Fischer's proposals as 'a damper on Fischer's flourish'<sup>198</sup>. As it could be expected, the continuing Franco-German disagreements on the future shape of the EU did not go away but fatally overshadowed the Nice IGC in December 2000, which was supervised by the French presidency. In the run up to the IGC, the German government had returned to its original demands on a fairer share with regard to budgetary contributions and the reform of CAP. On top of that, Chancellor Schröder made it clear that he intended to demand a fairer representation of the now larger Germany with regard to the number of votes in the European Council.

The official German position paper on the Nice IGC consequently focused on a greater consideration of the increased political weight of the unified Germany, especially in the Council. As Germany was still on an equal level with the (population wise) smaller France regarding the number of votes in the Council (10 each), the Schröder administration demanded 'to come to a model, in which the demographic differences between the member states are better expressed'<sup>199</sup>. Senior members of the government had repeatedly confirmed this position in the run up to the Nice summit. In a speech in Brussels in November 2000, a few weeks before the start of the Nice IGC, Foreign Minister Fischer had stressed that 'Germany speaks up for a better consideration of the size of the population, without leaving the interests of the smaller member states aside'<sup>200</sup>. With a clear hint to the French position, the permanent secretary in the foreign office, Gunther Pleuger, stressed in Berlin that 'if we want to consider the demographic factor within the framework of a reweighing of the votes,

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<sup>197</sup> *The Times*, 'So very French – A brilliant manipulative performance by Chirac', 28 June 2000.

<sup>198</sup> *Die Welt*, 'Ein Dämpfer für Fischers Fanfarenstoß– Chirac präsentiert sich als pragmatischer Europäer', 27 June 2000.

<sup>199</sup> *Grundsatzpapier zur Regierungskonferenz in Nizza zu den institutionellen Reformen*, source: Weidenfeld, 2001, CD ROM supplement.

<sup>200</sup> *Rede des Bundesministers des Auswärtigen Joschka Fischer im belgischen Parlament*, Brussels, 14 November 2000, [www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden](http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden)

then this has to apply to everyone'<sup>201</sup>. Moreover, Germany was still insisting that the EU would have to come to a revised system of the costly CAP if it wanted to be able to include new member states into such a system<sup>202</sup>.

French reactions to these Germans demands did not help to improve the strained relations between the two governments. The French foreign minister, clearly angered about the German unwillingness to leave the Nice reform agenda to the French presidency, called Fischer a 'pied piper', who would endanger progress in Europe with his visionary ideas<sup>203</sup>. At a bilateral meeting between Chirac and Schröder days before the start of the negotiations in Nice, both leaders had unsuccessfully tried to settle their disputes.

While Schröder insisted that the EU would have to achieve a reweighing of the votes, with a greater consideration of the German weight, the French president insisted on parity between both countries, as anything else would lead to an imbalance in Europe<sup>204</sup>. In the aftermath of the meeting, Schröder publicly stressed that he would under no circumstances abandon the German demand for a bigger number of votes in the Council than France<sup>205</sup>. It was obvious that under these circumstances it had become impossible to maintain the usually practice of presenting a joint Franco-German position paper on the major issues for the IGC. At Nice, the unprecedented situation therefore occurred, that no major Franco-German initiatives took place and both countries limited their co-operation to a small joint letter proposal on the extension of QMV<sup>206</sup>.

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<sup>201</sup> 'Die institutionelle Reform der Europäischen Union: Perspektiven auf dem Weg nach Nizza' – Rede von Staatssekretär Dr. Gunter Pleuger in der Humboldt-Universität Berlin, 26 October 2000, [www.auswaertiges-amt.de/www.de/infoservice/download/pdf/reden](http://www.auswaertiges-amt.de/www.de/infoservice/download/pdf/reden)

<sup>202</sup> See *The Times*, 'Franco-German split hits summit', 30 November 2000.

<sup>203</sup> *The Times*, 'Franco-German row hits treaty', 1 December 2000.

<sup>204</sup> *Süddeutsche Zeitung*, 'Noch keine Einigkeit über EU-Reform – Schröder und Chirac können Differenzen nicht ausräumen', 1 December 2000.

<sup>205</sup> See *The Times*, 'Schröder rejects parity with France', 4 December 2000 and also the Schröder interview in *Der Spiegel*, 4 December 2000.

<sup>206</sup> *Gemeinsames Schreiben der deutschen und der französischen Delegation bezüglich der Ausweitung der qualifizierten Mehrheit*, source: Weidenfeld, 2001, CD rom supplement.

Instead, Germany produced a more complex joint position paper with the Italian government on increased co-operation within the EU<sup>207</sup>. Even the British government supported the German line on institutional reform and remained rather critical of the French proposals<sup>208</sup>.

France in the end reacted by using its role as the presidency to put its own proposals on the table, without seeking any prior consultation with other member states on the details. This inconsiderate French approach to the IGC, combined with an obviously patronising style of negotiation by French president Chirac<sup>209</sup> isolated the French at the summit and led to a rather chaotic outcome with many unsolved problems<sup>210</sup>.

Germany failed to get a larger number of votes in the Council than France and received a concession with regard to the size of its population with sending the largest number of MEPs (99) to the European Parliament. The parity between France and Germany in the Council remains and the detailed reform of the Commission had been postponed once again to a later date (Giering, 2001, pp. 61-144). The fact that Germany with a population size of over 82 million people would continue to have the same number of votes in the Council (29) as France with just over 58 million, showed that the French are continuing to deny the political reality in Europe. French leaders are not willing to accept that the larger Germany has gained a greater political weight in the EU than its West German predecessor. The Nice summit had therefore made obvious that the difficulties within the Franco-German relationship mainly stemmed from a failure to accept the altered political balance between the two countries:

‘Germany wanted to get at least symbolically more votes than France, in order to give recognition to the clearly larger size of the population. For France, this would have questioned the historic basis for negotiations of European unification, namely that France and Germany act as partners with equal rights’ (Giering, 2001, p. 74).

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<sup>207</sup> *Gemeinsames deutsch-italienisches Positionspapier zur verstärkten Zusammenarbeit*, source: Weidenfeld, 2001, CD rom supplement.

<sup>208</sup> *The Times*, ‘Germans are fighting on our side, says Cook’, 7 December 2000.

<sup>209</sup> *The Times*, ‘Chirac lecturing style angers delegates’, 9 December 2000, ‘Chirac caught out by the numbers game’, 11 December 2000 and ‘Marathon summit in chaos’, 11 December 2000.

<sup>210</sup> *The Observer*, ‘How the EU’s lines were redrawn – President Chirac’s refusal to acknowledge national interests has left a new treaty in disarray’, 10 December 2000.

The fact that Germany had been supported in its reform initiatives by a number of other EU member states, which were all very critical of the French attitude, shows that, with a persistent Great Power attitude, France has increasingly moved itself into an isolated position within the Community<sup>211</sup>. The British Prime Minister Blair, who had sided with Schröder and other EU leaders in rejecting the French proposals at Nice and trying to achieve last minute compromises<sup>212</sup>, summed up his summit experience with the statement 'We can't go on like this'<sup>213</sup>.

What had become obvious for all EU member states was that the once privileged bilateral leadership coalition between France and Germany within the Community had finally come to an end. Although both countries still tried to make an effort to overcome their differences and to achieve joint initiatives, they found it almost impossible to return to the traditional, almost natural co-operation, which had carried their relationship for decades. Even though both sides publicly tried to maintain the impression that their relationship would still be cordial and would be able to overcome disagreements on detailed issues, they could not deny the reality of the decline of their former European axis. The Schröder administration could not conceal its disappointment about the outcome of Nice, but still refrained from fundamental criticism of the French style of negotiation:

'Not all hopes, with which we went to Nice have come true in the end (...) That this has not been achieved, is regrettable (...) We will really have to continue to fight for this new Europe. Our crucial partner in this was and is France. We will therefore also coordinate closely with France in the coming weeks and months.'<sup>214</sup>

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<sup>211</sup> In an analysis of the Nice summit, Jean-Pierre Froehly criticised the French leadership for having shown a far too self-centred attitude at Nice: 'France has however concentrated far too much on the summit itself and has possibly underestimated the variety of interests, which needed to be harmonised' (Froehly, 2002, p. 5). Heather Grabbe called France's diplomatic approach at Nice 'ham-fisted diplomacy' (Grabbe, 2001, p.1).

<sup>212</sup> *The Times*, 'Chirac caught out by the numbers game', 11 December 2000.

<sup>213</sup> Grabbe, 2001 and *The Times*, 'We can't go on like this', 12 December 2000.

<sup>214</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag zu den Ergebnissen des Europäischen Rates in Nizza*, 19 January 2001, <http://www.bundeskanzler.de/Regierungserklaerung-.8561.21773/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.

Schröder called for a ‘redefinition’ of Franco-German relations after Nice<sup>215</sup>, in order to put them on a new and more stable basis and both countries agreed to hold more regular bilateral consultations on European issues<sup>216</sup>. This almost forced public display of continuing unity, which attempts to conceal the underlying disagreement on major European issues, will not change the real state of Franco-German relations. The continuing attempt on both sides to pretend that a new unity between France and Germany could be achieved by simply conjuring up the value of the partnership will not remove the fundamental differences of opinion.

As the *Frankfurter Allgemeine Zeitung* rightly stated after the Nice summit, ‘behind such words of mutual encouragement lurks the unspoken’<sup>217</sup>.

A fundamental renewal of the Franco-German partnership could only be achieved by open and honest discussions about the reasons for the difficulties in the relations. Continuing public statements of friendship have led to no progress with regard to the two countries’ former function as the motor of integration, but have opened up an increasing gap between pretension and reality:

‘The Franco-German reflections about the future of Europe are characterised by a dichotomy, even schizophrenia. It seems odd, when a variety of proposals are being made, although the political will to realise them is lacking. If the French and the German leadership only agree to having to agree, then setbacks are inevitable’ (Martens, 2002, p. 27)

The unified Germany has become larger and politically more self-confident and therefore wants to be accepted as an equal partner by France. France on the other hand has so far not given up the self-delusion that even after German reunification, the conditions of the Franco-German alliance would remain the same.

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<sup>215</sup> *The Economist*, ‘Divorce after all these years? Not quite, but...’, 25 January 2001.

<sup>216</sup> *Süddeutsche Zeitung*, ‘Schröder und Chirac wollen sich besser abstimmen’, 31 January 2001.

<sup>217</sup> *Frankfurter Allgemeine Zeitung*, ‘Die Schatten der Vergangenheit holen Europas Zukunft ein’, 9 December 2000.

Instead of trying to adapt to the altered circumstances, France has withdrawn even more to its own national position. A persistent fear of an increasing German influence in Europe has made the French uneasy about deeper European integration and the enlargement of the EU. While a more self-confident political generation in Germany pushes towards greater European unity, albeit under fairer conditions for their country, France has turned into the promoter of the status quo in the EU. It is hence is reluctant to accept reform of established community institutions and procedures and also shows a rather lukewarm attitude towards enlargement<sup>218</sup>.

The continuing suspicion about the role of the unified, more self-confident Germany in Europe has led to an increasing insecurity on the French part about its own role in Europe and the aim of its European policy:

‘The French concept of integration is questioned wherever further European integration not only enhances the French position in the EU, but the German one as well. For France, the question centres on whether the Europeanization of the growth of German power, as practised in the past, can still be made practicable in the future through the French strategy of anchoring Germany within Europe’ (Guérin-Sendelbach and Schild, 2002, p. 53).

Due to the lack of personal understanding between the present French and German leaders<sup>219</sup> it is very unlikely that these fundamental differences can be settled without major efforts from both sides.

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<sup>218</sup> Ulrike Guérot stresses that ‘eastwards enlargement will cost a lot and France wants to keep the price as low as possible. Simulations of different reform scenarios in the agricultural and structural policy of the EU have shown, that France, as the biggest profiteer of the reflux in the agricultural policy, has a special interest in the status quo’ (Guérot, 2002, p. 35)

<sup>219</sup> The German MEP Dr Gerhard Schmid, who has links with the Chancellery, admitted that the personal relations between Schröder and Chirac remain difficult, mainly due to a difference in personal character. In a personal conversation I had with him in his constituency office in Germany in June 2001, Schmid stressed the importance of personal relations for the quality of Franco-German relations, which were simply not good enough under Schröder and Chirac. (Interview with MEP Dr Gerhard Schmid, Regensburg, 18 June 2001).

The biggest hurdle in this respect is the current insecurity of the French about their national identity and their position in Europe, which has also become obvious during the April 2002 French presidential elections<sup>220</sup>. France fears that it will be left behind in a larger and possibly German-dominated Europe and has not yet found an answer to this changing reality, in which it can no longer successfully manage the balancing act between containing German power and maintaining an influential position on the global scale. France has therefore retreated to a ‘watered-down Gaullism’ (Guérin-Sendelbach and Schild, 2002, p. 53), which stresses intergovernmental solutions for most issues on the EU level, including Common Foreign and Security policy, but still advocates greater harmonisation on economic and monetary issues:

‘Even on the governmental level, an insecurity with regard to its own status and role in Europe has become apparent recently – and especially during the EU Council presidency, which manifested itself in a rather hesitant European policy (...) The dilemma between the integration interest towards Germany and the desire to retain autonomous scopes of action – for example in foreign policy – for France becomes more and more apparent. The “watered-down” Gaullism in the French European policy (...) can neither adequately secure France’s position in Europe, nor does it offer coherent answers with regard to the definition of the relationship towards Germany’ (Schild, 2001, p. 9).

As expected, the French side consequently increasingly retreats to an uncompromising stance on European issues, which in spite of the nice rhetoric towards Germany, focuses on the defence of its national interest more than ever before. Major issues of disagreements between France and Germany, such as a fundamental reform of the system of CAP, therefore remain unresolved and show little prospect of being resolved in the future<sup>221</sup>.

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<sup>220</sup> The strong showing of right-wing candidate Jean-Marie Le Pen in the first round of the presidential elections has been assessed by many commentators as a sign of deep political insecurity in France after a number of corruption scandals, which included both the Chirac’s Gaullists and the Socialist party under Lionel Jospin, who dropped out of the presidential election. (*The Guardian*, ‘A new French revolution’, 28 April 2002).

<sup>221</sup> Since his second election victory at the presidential election and the resulting end of the cohabitation after the Socialists defeat at the French parliamentary election in June 2002, Jacques Chirac has shown an even more uncompromising stance on major issues. In spite of repeated meetings with his German counterpart and the public assurance that he would like to find a compromise on CAP reform with

The Franco-German ‘compromise’ reached at the October 2002 EU summit in Brussels should not be misinterpreted as a breakthrough in the revival of the old axis. Chancellor Schröder’s readiness to postpone fundamental CAP reform in return for the French concession to put a limit on spending for agriculture only after 2007 led to an agreement based on the lowest common denominator. It both enraged other EU member states, especially Britain<sup>222</sup> and was widely interpreted as a result of Schröder’s weak political standing after the narrow election victory of his red-green coalition in the September 2002 general election. Under intense domestic pressure to reform the German economy and to get the public deficit and rising unemployment under control, the German Chancellor seems to be determined to settle any foreign policy disputes instead of opening up new fronts. Especially because Schröder realised that the go-ahead for 2004 enlargement depended on a compromise, he was not willing to risk the project for short-term German national interests. Schröder was therefore any easy target for an increasingly self-confident French president, who is politically strengthened by his re-election against Jean-Marie Le Pen and the end of the *cohabitation* with the Socialists. However, the issue of fundamental reform of CAP, which in spite of the compromise will remain costly for Germany, still seems to be on the German European policy agenda, as indicated by Schröder straight after the Brussels summit<sup>223</sup>.

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Germany (*Süddeutsche Zeitung*, ‘Schröder und Chirac wollen Agrarstreit beilegen’, 31 July 2002), the French president shows an increasingly Thatcherite stance in Europe. He not only rejects a new funding principle for CAP, but also ignores the EMU stability pact with regard to the French budget deficit and shows no interest in a debate about the permanent relocation of the European Parliament from Strasbourg to Brussels (*The Times*, ‘Chirac accuse of doing a Thatcher on Europe’, 11 October, 2002).

<sup>222</sup> The Franco-German compromise led to a personal public row between Tony Blair and Jacques Chirac at the summit, which was widely reported. As a result, the British government publicly continues to reiterate its commitment to achieve fundamental CAP reform in the future (*The Times*, ‘Britain digs in for long EU farm battle’, 26 October 2002).

<sup>223</sup> In the press conference on the outcome of the Brussels summit, Schröder excused his failure to convince the French of the need for fundamental reform with misunderstandings, which had been caused by errors made by the translators, which had been present at his meeting with Chirac (*Süddeutsche Zeitung*, ‘Chiracs geschickter Schachzug’, 28 October 2002). See also *The Times*, ‘“You have been very rude” huffy Chirac tells Blair as France calls off summit’, 29 October, 2002).

The present truce between France and Germany on CAP is therefore a rather deceptive one and is likely to turn into an open dispute again, once the full implications of agricultural costs under the present system become clear in an EU of 25 member states or more<sup>224</sup>. Even on the controversial issue of a possible European participation in an U.S.-lead attack on Iraq, the French president surprisingly rather chose to side with the Americans than to attempt to come to a common line with the recently re-elected Schröder/Fischer administration, which opposes military action<sup>225</sup>.

The perspectives for the future of Franco-German relations consequently give few reasons for optimism. Under the present leadership constellation in France and Germany<sup>226</sup>, agreements on major issues are unlikely. The IGC in Nice can therefore be seen as a major landmark in the EU's inner leadership structure.

Although disappointing with regard to its reform outcome, the Nice summit has given the obvious indication of the end of a dominating bilateral Franco-German leadership duo inside the EU, which had already become apparent in the aftermath of the Maastricht Treaty. Although good relations between France and Germany will remain important to achieve progress within the EU and to avoid a stalemate on major issues, they are no longer as crucial as they used to be during the first 40 years of the integration process.

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<sup>224</sup> Gerhard Bläske rightly commented on the compromise that 'there is no reason for ecstasy of joy on both sides, even if the hurdles for enlargement have been removed' (*Süddeutsche Zeitung*, 'Chiracs geschickter Schachzug', 28 October 2002).

<sup>225</sup> *Süddeutsche Zeitung*, 'Chirac geht auf Distanz zu Schröder', 9 September 2002 and *The Times*, 'France signals wish to fall in with America over Iraq', 11 October 2002.

<sup>226</sup> The situation might have looked different if CSU leader Edmund Stoiber had won the September 2002 German general election. Stoiber had indicated during the election campaign that his priorities would be the revival of the Franco-German alliance in the EU (*The Times*, 'Kohl's heir will press Britain to enter eurozone', 5 August 2002)

The former motor of European integration has definitely been diminished into a partnership<sup>227</sup>, which will lose more and more of its special character should the two countries not find a way of 'changing from a used car to a new model' (Martens, 2002, p. 27).

It is therefore very likely that an EU of 25 members or more will be increasingly dominated by a multiplicity of short-term leadership coalitions, which are mainly issue-related and vary from time to time. Germany has an advantage over France in this respect, as it has established a number of close diplomatic and economic relations with countries in Central and Eastern Europe since the Second World War. France, which has traditionally had closer links with Southern European states, thus risks to be pushed to the sidelines if does not prepare itself for the post-enlargement structure of the EU:

'If, as likely, the EU has 25 members after 2004 or 2005, it will be impossible for any two of them to dominate as they did in the past. The French should adjust to a Europe of more fluid, issue-focused alliances – and they should note that the Germans, unlike themselves, have already developed close ties with Central European countries' (Grant, 2001, p. 3)

France will still be able to play a leading role within an enlarged EU, if it adapts to the changed circumstances and realises that the partnership with Germany can no longer be exclusive but must become inclusive for other big member states. As Heather Grabbe stresses, Nice has shown that already at present it is mainly the biggest five member states (France, Germany, UK, Italy, Spain), which form alternating coalitions on a variety of different issues.

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<sup>227</sup> What should be especially worrying for the French is that this perception is increasingly shared by representatives of the German political class, even amongst those who have traditionally supported co-operation with France. All the German representatives I interviewed in the course of my research had accepted that the Franco-German relations had declined since the early 1990s and that other constellations might replace them if they were not improved in the near future (Interview with Dr Ingo Friedrich MEP, Gunzenhausen, 31 March 2001; Dr Gerhard Schmid MEP, Regensburg, 18 June 2001; Professor Jürgen Meyer, SPD party conference Nuremberg, 20 November 2001). Moreover, the German-born British MP Gisela Stuart considered it to be almost a natural development that the partnership has changed and will become less important for the EU, once it has been enlarged (Interview with Gisela Stuart MP, House of Commons, London, 24 July 2002).

It must therefore be taken into account that these five largest member states (and then possibly more after enlargement) 'might eventually emerge as the EU's dominant grouping' (Grabbes, 2001, p. 2). In the post-Nice EU, which heads towards increasing multiplicity, both France and Germany have therefore to be prepared to redefine their partnership and to make it more transparent for other leading member states, such as Britain, which will play a much more influential role should it decide to join the single currency:

'If one thinks about the political shape of Europe now, the German-French agreement can only be "condition nécessaire", but no longer "condition suffisante". While an exclusive German-French motor was probably an ideal type, the German-French coordination has to open up towards new partners. If this is not achieved, Paris and Berlin will be replaced by other self-confident member states as initiators of an impetus for more European integration' (Froehly, 2002, p. 2)

## Chapter 4: Areas for British-German co-operation

In an EU of increasing multiplicity, where shifting leadership coalitions determine the outcome of decisions on central issues, it has become more and more important to consider corresponding interests between member states outside the Franco-German partnership. In this respect, possible areas for co-operation between Germany and Britain will be of particular significance for the future of the EU. Both states are in a process of redefining their status within the Community. Germany, which remains the central player in the Community and whose importance is likely to grow after the EU has enlarged to 25 and more member states, has made major steps towards the 'normalisation' of its foreign policy. Moreover, as the promoter of enlargement within the EU, it has become the main contact for the CEE applicant countries. Britain, on the other hand, has adopted a more positive stance towards the integration process under the New Labour administration and has therefore been able to take on a leadership role on a number of issues, such as defence and economic liberalisation.

The process of redefining their position in the EU, however, also confronts the two countries with major challenges. Germany will have to take concrete steps towards the reform of its economy and labour market if it wants to avoid sliding deeper into economic recession, which would seriously undermine its traditional role as the economic cart-horse in Europe. Moreover, in spite of the shortage of its public finances, the German government will have to underline its 'normalisation' claim with regard to the foreign and defence policy with a substantial reform of the *Bundeswehr* towards professionalism. Such a reform will have to be based on sustained financial support. In the case of Britain, the ability to secure itself a permanent leading position within the EU, continues to be hampered by the exclusion from the Eurozone, in spite of the British government's less prejudiced approach towards European issues. If British leaders want to exercise influence in all areas of EU decision-making, the outcome of the assessment of the government's five economic tests on EMU membership and a succeeding public referendum on the Euro will be a crucial watershed for the country's position in the Community.

This chapter looks at British and German positions towards essential European policy areas, and attempts to make an assessment of possible areas for co-operation between these two key EU member states in an EU, which faces enlargement to 25 member states in 2004.

#### **4.1. Institutional and procedural reform of the EU**

The issue of fundamental reform of the EU's institutions and decision-making procedures is an essential matter of concern for both the British and German governments. In contrast to other larger member states, such as France, both countries have been pressing for the need to fundamentally reconsider the internal structure of EU institutions and the way they interact in decision- and law-making procedures for a number of years. Especially with regard to the imminent prospect of accession of 10 new member states to the EU in 2004, and likely further enlargement after 2007, Britain and Germany have been the champions of the reform discussion amongst the larger member states. Mainly due to the background of two fundamentally different political cultures, official British and German reform proposals certainly differ in detail. However, British and German leaders strongly concur in their determination to make the EU's institutional setting fit for enlargement. Immediately after the start of their first term in office, both the Blair and the Schröder administration set out institutional and procedural reform of the EU as the centrepieces of the European policies.

Already when he was leader of the opposition, Tony Blair had repeatedly stressed his determination to press towards fundamental reform of the EU. Blair argued, that the younger generation of post-war politicians like himself would show a more pragmatic approach to European integration, which would include greater openness, but also a clear analysis of the weaknesses of Community procedures:

‘We can lead the case for reform. We are a new generation, not scarred by war. We do not accept that Europe should remain as it is. Our commitment to Europe does not mean that we accept a bureaucratic and wasteful Europe (...) We want a new, revitalised, people’s Europe’<sup>228</sup>

The 1997 Labour manifesto promised that under a New Labour government, the UK would ‘set out a detailed agenda for reform, leading from the front during the UK presidency in the first half of 1998’<sup>229</sup>. Major points for reform mentioned were the ‘urgent reform of the Common Agricultural Policy’ and an overhaul of the EU institutions ‘towards greater openness and democracy’<sup>230</sup>. After New Labour had come to power, the work programme for the first British Council presidency of the EU reiterated these points and especially focused on the need to reform EU institutions towards greater democratic accountability:

‘The UK Presidency intends to improve transparency and openness, and prepare for the implementation of the new transparency provisions agreed at Amsterdam’<sup>231</sup>

At the end of the British Council presidency of 1998, the British Prime Minister evaluated its work in an article in the German *Frankfurter Allgemeine Zeitung* on June 30<sup>th</sup> 1998. Blair stressed that reforms of the EU would be indispensable, which is why the UK had pressed towards a reform agenda during the Council presidency. He called for a new vision for Europe, which would strike the right balance between a strong national identity continuing integration in certain areas, which would consequently manage to reconnect the EU with its citizens:

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<sup>228</sup> Speech to the Royal Institute of International Affairs, London, 5 April 1995 (source: Blair, 1997, p. 287).

<sup>229</sup> ‘New Labour – because Britain deserves better’, Labour 1997 general election manifesto, p. 37.

<sup>230</sup> Ibid.

<sup>231</sup> Work Programme of the UK Presidency of the Council of Ministers of the European Union, p. 9, <http://presid.fco.gov.uk/workprog/within.shtml>.

‘In Britain and elsewhere in Europe, citizens fear that the EU is too centralised, too distant and its economic policy too entangled in bureaucracy (...) We need a vision for Europe, which enables people to feel at home with their national identity and to extend the hand towards European partnership at the same time.’<sup>232</sup>

It became clear that the basis for the British engagement towards EU reform is based on a new pragmatic approach towards European integration, which does not fundamentally reject the deepening of integration, but accepts that in some areas the closer co-operation on the European level will be in Britain’s national interest.

The Prime Minister therefore emphasised that his government would support the deepening of integration in some areas, whereas in other areas it would call for the redistribution of powers to the national and the regional level. Moreover, the British government would strongly support powerful and active Community institutions, which are able to scrutinise the EU’s decision-making process with regard to the Single Market:

‘In some areas, like the fight against crime, the environment, the Common Foreign and Security Policy we will integrate further. In order for the Single Market to function, we need a strong Commission and a strong European Court of Justice, who control it. In other areas, however, more, much more can be achieved on the national, regional and local level.’<sup>233</sup>

Based on an engaged European policy and a pragmatic attitude towards European integration, the Blair administration thus showed its commitment to an active role in the EU reform debate. While its Conservative predecessors had limited the UK’s role in the debate to calls for an end to further integration and the return of fundamental areas of decision-making to the national level, the New Labour government decided that the best way to maintain British influence is through active engagement:

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<sup>232</sup> Article of the British Prime Minister Tony Blair on the British Council presidency in the *Frankfurter Allgemeine Zeitung*, 30 June 1998, source: [www.dgap.org/IP/ip9809/artblair300698.htm](http://www.dgap.org/IP/ip9809/artblair300698.htm).

<sup>233</sup> Ibid.

‘At this crucial juncture, where reforms of an absolutely momentous nature are being debated and decided, Britain’s place must be at the centre of them. To withdraw from them is not patriotic; it is an abdication of our true national interest’<sup>234</sup>

The new British readiness to take part in an open debate about the future of the EU does however, come with the strong demand to overcome traditional vested interests among the member states, and to pursue radical changes in the way the Community works in order to make it fit for enlargement:

‘(...) we will need to consider in what circumstances the flexibility outlined at Amsterdam should operate. To consider how we balance the desire to move forward with the desire not to create a two-tier Europe. I am confident common sense can find a way through (...) the answer lies in focusing on what really needs to be done at the EU level and what should be done by the member states or civil society’<sup>235</sup>

In its ambition to achieve fundamental reform of the EU and to prepare it for enlargement, the Blair administration has found a strongly supportive partner in the German red-green coalition government led by Gerhard Schröder and Foreign Minister Joschka Fischer. The leading figures of the German government are part of the same post-war generation of politicians, like the majority of the New Labour administration. Both governments are therefore united in their desire to avoid empty hymns of praise on the European ideal, and instead focus on the necessary reform in order to prepare the EU for the accession of new member states. In this respect the red-green coalition in Germany shares the pragmatism of the British government in the reform debate, which includes the open expression of national interests and the strong focus on the effective functioning of the EU’s institutional framework. Gerhard Schröder had therefore already called for close co-operation between Britain and Germany in the drive towards reform in Europe, when he was still in opposition.

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<sup>234</sup> ‘Committed to Europe, Reforming Europe’, Prime Minister’s speech at Ghent City Hall, Belgium, 23 February 2000, [www.number-10.gov.uk/news.asp?NewsId=579&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=579&SectionId=32).

<sup>235</sup> Ibid.

Schröder outlined his strong support for the British calls for a more transparent and democratically accountable EU in the book he had published on the occasion of his election campaign. Like Blair, Schröder called for a reform debate which would have to take into serious consideration

‘the concern, yes even the frustration of many citizens (...) if more and more powers of the welfare state and the state under the rule of law would be given away to European institutions, which only possess moderate democratic legitimacy’ (Schröder, 1998, p. 100)

Schröder stressed that his generation wanted a Europe in which ‘strong and self-confident’<sup>236</sup> member states co-operated towards reforming Europe and he called for the inclusion of Britain into the leadership of the EU<sup>237</sup>. After Schröder’s election victory in 1998, the newly formed red-green coalition set out the principles of its European policy with a strong emphasis on institutional and procedural reform. The coalition agreement stressed that the necessary reform steps would have to be completed before the next wave of enlargement and would have to be based on the principle of greater transparency and democratic accountability:

‘The new federal government will push towards greater democracy in the European Union and the strengthening of the European Parliament. It will support clearer and more transparent decision-making processes in the European Union . The transparency rule of the Amsterdam Treaty has to be put into practice strictly. It will work against overregulation and bureaucratisation. When exercising its competencies, the EU has to obey the subsidiarity principle (...)

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<sup>236</sup> Ibid.

<sup>237</sup> During his 1998 election campaign, Schröder repeatedly emphasized that he considered Britain to be an important partner in the future development of Europe and he even spoke of a new ‘“triangle” Paris-Bonn-London’ (Schröder, 1998, p.99). In his opinion, in a more flexible and larger EU, the limitation to bilateral alliances was not enough to bring the EU forward, which is why ‘the possibility of flexible combinations of members on certain initiatives have to come greater use than before’ (*Rede des SPD-Kanzlerkandidaten Gerhard Schröder vor der Fraktion der Sozialistischen Parteien Europas (SPE) im Europäischen Parlament am 14. Juli 1998 in Straßburg*, [www.dgap.org/IP/ip9809/redeschroeder140798.htm](http://www.dgap.org/IP/ip9809/redeschroeder140798.htm)).

The European Union rapidly has to become ready for enlargement through internal reforms. This includes the conclusion of institutional reforms before enlargement.<sup>238</sup>

In his first official inaugural speech on November 10<sup>th</sup> 1998, Chancellor Schröder announced that the priorities of his government for the upcoming German presidency of the EU Council would be to make sure that the EU decides a reform package as part of the *Agenda 2000*, which includes 'duties, expenses and the financing of the European Union'<sup>239</sup>. The German government hence had put a strong emphasis on the need to conclude the major institutional and procedural reforms before the first accession of a new group of member states. In its official programme for the EU Council Presidency in the first half of 1999, the newly elected red-green coalition clearly stated its priorities for reform of the EU, with a special focus on the establishment of a new budgetary framework for the EU for the period between 2000-2006, a fundamental reform of the Common Agricultural Policy (CAP) and the structural policies<sup>240</sup>. The German Foreign Minister Joschka Fischer reiterated these priorities in his inaugural speech to the French national assembly in January 1999. Conscious of the French reluctance to undertake serious reform of the EU's budgetary and institutional arrangements, Fischer pointed out that the German presidency would be committed to the modernisation and the democratisation of the Community. This would include fundamental reform of the system of CAP, greater fairness with regard to budget contributions, and substantial institutional reform:

'I can see four major tasks for the EU in the future: The modernisation of the European *contrat social*, swift enlargement of the EU, the strengthening of its political ability to act and the strengthening of its democratic legitimacy (...) readiness and legitimacy of the EU demands a fair distribution of the financial burden (...)

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<sup>238</sup> *Koalitionsvereinbarung zwischen der Sozialdemokratischen Partei Deutschlands und Bündnis 90/Die Grünen*, 20 October 1998, [www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm](http://www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm).

<sup>239</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, 10 November 1998, [www.bundeskanzler.de/Regierungserklärungen-.7561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder.htm](http://www.bundeskanzler.de/Regierungserklärungen-.7561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder.htm)

<sup>240</sup> *Programm der deutschen EU-Ratspräsidentschaft*, 21 December 1998, [www.dgap.org/IP/ip9906/eude211298.htm](http://www.dgap.org/IP/ip9906/eude211298.htm).

(...) due to enlargement and especially because of the next WTO round of negotiations, a reform of the CAP will be inevitable (...) Because, as founding members, we have a special interest in making enlargement possible and maintaining the EU workable in the future, we want to complete the institutional reforms on time before the conclusion of the accession negotiations.'<sup>241</sup>

Because the German presidency of the EU in the first half of 1999 had been overshadowed by the tragic events in Kosovo and was hence mainly dominated by debates on foreign policy, major reform steps with regard to the EU's institutional framework had been postponed once again. Mainly due to the French reluctance to accept the reform proposals of the German presidency<sup>242</sup>, the Agenda 2000 package passed at the March 1999 Berlin Council had not achieved the major reform goals of the German presidency. The red-green coalition consequently put pressure on the upcoming French EU presidency in the second half of 2000 to make sure that the overdue reforms would be concluded by the end of the year. In an address to the *Deutsche Gesellschaft für Auswärtige Politik* in November 1999, Foreign Minister Joschka Fischer emphasised the importance of the IGC on institutional reform, which had been planned for the end of 2000, with regard to a successful enlargement process:

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<sup>241</sup> Rede des Bundesministers des Auswärtigen Joschka Fischer in der französischen Nationalversammlung, Paris, 20 January 1999, [www.auswaertiges-amt.de/6\\_archiv/99/r/R990120a.htm](http://www.auswaertiges-amt.de/6_archiv/99/r/R990120a.htm).

<sup>242</sup> The French had not only been lukewarm about institutional reform, but had vetoed fundamental reforms of the system of CAP and the budget contributions during the German EU presidency. The French president Chirac defended the lack of fundamental reforms at a press conference at the March 1999 Berlin Council: 'For us, to preserve the principles of financial solidarity, which are the principles of the European Union, came first. We therefore absolutely did not want a system of co-financing or a cutting model (...) some have tried to evade the framework of financial solidarity. On CAP he bluntly rejected the need for reform before enlargement: '(...) a reform will be postponed, which is not urgent, which is expensive, very expensive and would cause a lot of problems for the French and the European milk farmers' (Press conference given by French president Jacques Chirac after the European Council, Berlin, 26 March 1999, [www.dgap.org/IP/ip9906/chirac260399.htm](http://www.dgap.org/IP/ip9906/chirac260399.htm)).

‘The intergovernmental conference on institutional reforms has a key role for the functioning of a future enlarged Union. It has to be concluded on time next year under the French presidency, in order to achieve the time setting of 2003’<sup>243</sup>

Fischer was bold enough to clarify the details of his considerations on institutional reform by giving a major speech on the future of the EU as a ‘private person’ at the Humboldt University in Berlin in May 2000<sup>244</sup>. The speech did not win him many friends among the French political elite, as it was seen as an unwelcome intrusion in the French preparations for the IGC on institutional reform under the French Council presidency (see chapter 4). Although the speech was not an official representation of the German government’s position on institutional reform, it included many proposals which were based on the main German concerns with regard to institutional reform. It was based on the urgent call for fundamental institutional reform before the first new member states could accede to the EU, an issue which had so far not been sufficiently tackled by any of the preceding intergovernmental conferences:

‘The institutions of the EU were created for six member states. They just about still function with fifteen (...) The danger will then be that enlargement to include 27 or 30 members will hopelessly overload the EU’s ability to absorb, with its old institutions and mechanisms, even with increased use of majority decisions, and that it could lead to severe crises. (...) it shows the need for decisive, appropriate institutional reform so that the Union’s capacity to act is maintained even after enlargement’<sup>245</sup>.

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<sup>243</sup> *Rede des Bundesministers des Auswärtigen Joschka Fischer bei der Mitgliederversammlung der Deutschen Gesellschaft für Auswärtige Politik, Berlin, 24 November 1999, <http://www.deutschebotschaft-moskau.ru/de/aussenpolitik/reden/aussenpolitischergrundsatz.html>.*

<sup>244</sup> At the beginning of his speech, Fischer stressed that ‘this is not a declaration of the Federal Government’s position, but a contribution to a discussion long begun in the public arena about the “finality” of European integration, and I am making it simply as a staunch European and German parliamentarian’ (‘From Confederacy to Federation – Thoughts on the finality of European integration’, Speech by Joschka Fischer at the Humboldt University in Berlin, 12 May 2000, <http://www.dgap.org/IP/ip9906/schroeder140499.htm>).

<sup>245</sup> *Ibid.*

Fischer made the controversial proposal to set out the transformation of the EU into 'full parliamentarisation as a European Federation' as a long-term goal for European integration. Such a federation should be based on a constitution, and a European federal government, as well as a parliament with full executive and legislative powers:

'And that means nothing less than a European Parliament and a European government which really do exercise legislative and executive power within the Federation. This Federation will be based on a constituent treaty',<sup>246</sup>

It is obvious that Fischer's federal vision for the EU is strongly based on the German political system, in which a federal government and parliament is forced to take into account the interests of strong and relatively independent regional entities, the *Länder*. The latter not only have their own regional constitutions, parliaments and Prime Ministers (*Ministerpräsidenten*). They are also independently in charge of a number of policy areas<sup>247</sup> and have substantial rights of participation in the passing of national legislation in the *Bundesrat*, the second legislative chamber which represents *Länder* interests<sup>248</sup>. The German form of federalism is therefore based on close co-operation between strong regional units and the federal level. The federal level is responsible to maintain the equality of living conditions within the federal state, but based on the principle of subsidiarity, areas which mainly concern regional matters are decided by the *Länder* and regional councils.

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<sup>246</sup> Ibid.

<sup>247</sup> Article 80 of the German *Grundgesetz* defines the areas, in which the federal government can only pass framework legislation, but where the essential responsibility lies with the *Länder*: regional public sector employment laws, common principles of higher education, environmental and landscape protection, environmental planning. In addition, article 91a clarifies the common tasks of the federal and the *Länder* level, in which the federal government only interferes if they are of substantial interest for the nation state as a whole: planning and building of universities, improvement of the regional economic structure, the agricultural structure and the protection of coastal areas. (*Grundgesetz für die Bundesrepublik Deutschland*, <http://www.bundesregierung.de/static/pdf/gg.pdf>).

<sup>248</sup> For an assessment of the powers and the internal structure of the *Bundesrat* see Rudzio, (2000), pp. 293-305 and Maunz and Zippelius (1998), pp. 275.

In contrast to the UK, where the ‘f-word’ has become a powerful weapon for Eurosceptics and the tabloids in their attempts to influence the British public’s attitude towards integration in a negative way, the Germans see federalism as an effective mechanism to reconcile the various interests on the different levels within a state or an organisation. In Germany, the concept of a federal Europe is therefore not perceived as a move towards a European superstate, but rather as an attempt to organise the growing need for enhanced co-operation among the EU member states in a number of areas in an effective way.

This German concept of federalism was clearly expressed by Fischer in his Berlin speech. He was well aware of the negative reactions the mention of the term ‘federation’ would give rise to in a number of member states, especially in Britain<sup>249</sup>. Fischer thus explicitly emphasised that his idea of a European federation would be based on strong nation states, including the respect for their cultural and institutional particularities. As Fischer pointed out, any attempt to ignore the various national cultures of the EU member states and to try to force them to merge into an artificial supranational framework would be doomed to failure right from the start:

‘(...) it would be an irreparable mistake in the construction of Europe, if one were to try to complete political integration against the existing national institutions and traditions rather than by involving them (...) Only if European integration takes the nation-states along with it into such a Federation, only if their institutions are not devaluated or even made to disappear, will such a project be workable despite all the huge difficulties. In other words: the existing concept of a federal European state replacing the old nation-states and their democracies as the new sovereign power shows itself to be an artificial construct which ignores the established realities in Europe.’<sup>250</sup>

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<sup>249</sup> Fischer appealed to the Eurosceptics in Britain, including the tabloid press, too see his speech as a personal visionary, contribution for the long term which is why he thought that ‘they would be well advised not to immediately produce the big headlines again’. He also stressed that for him, the idea of a European federation would be based on a ‘much larger role than the Länder have in Germany’ for the individual member states (‘From Confederacy to Federation – Thoughts on the finality of European integration’, Speech by Joschka Fischer at the Humboldt University in Berlin, 12 May 2000, [www.auswaertiges-amt.de/6\\_archiv/2/r/r00512b.htm](http://www.auswaertiges-amt.de/6_archiv/2/r/r00512b.htm)).

<sup>250</sup> Ibid.

Instead, a proper balance between national interests and the common interests of the Community would have to be found, based on a proper use of principle of subsidiarity.<sup>251</sup>

‘The completion of European integration can only be successfully conceived if it is done on the basis of a division of sovereignty between Europe and the nation-state. Precisely this idea underlying the concept of “subsidiarity”, a subject that is currently being discussed by everyone and understood by virtually no one.’

Fischer’s strong reliance on the domestic political experience of the German federal system for his European ideas become even clearer if one considers the details of his proposals with regard to the changes to the institutional framework. In terms of the European parliament, Fischer proposed the creation of a two chamber-model along the lines of the German *Bundestag* and *Bundesrat*. In Fischer’s model, the European Parliament and a new second chamber would thus become the main legislative bodies, which would have to co-operate closely in order to pass legislation. The second chamber would consist of ‘members who are also members of their national parliaments’ and would either be structured along the lines of the German *Bundesrat* or the U.S. senate model<sup>252</sup>.

In terms of the future executive role within the EU, Fischer did not tie himself down on a particular proposals, but he rather suggested two different models. In the first, the European Council would be further strengthened in its executive powers and would consequently be turned into a proper European government. Such a construction would of course give the EU an even stronger intergovernmental fundament, as the nation states would be in fundamental control of the decision-making. This first proposal would certainly appeal to British leaders, who have traditionally favoured a strong intergovernmental basis for the EU.

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<sup>251</sup> Ibid.

<sup>252</sup> Ibid.

Fischer's second proposal of turning the Commission into an executive body with a directly elected Commission president 'with far-reaching executive powers'<sup>253</sup> tends more towards the establishment of a supranational framework for the EU. The second model would certainly under no circumstances be supported by Britain, as it would fundamentally weaken the decision-making powers of the individual member state governments. Having obviously been aware of this, Fischer remained rather vague in terms of which solution he considered to be the best one for the EU and stressed that 'there are also various other possibilities between those poles'<sup>254</sup>. Further on in the speech, he however admitted his preference for the second model as part of a multi-speed development towards a European federation<sup>255</sup>.

A great deal of importance in Fischer's speech was attached to the notion of the establishment of a European constitution, which would enable the EU to simplify its structural framework and to clearly determine the division of powers between the national and the Community level. Based on the subsidiarity principle, the Community level should only be responsible for matters which can no longer sufficiently be dealt with on the national level:

'There should be a clear definition of the competences of the Union and the nation-states respectively in a European constituent treaty, with core sovereignties and matters which absolutely have to be regulated at European level being the domain of the Federation, whereas everything else would remain the responsibility of the nation-states'<sup>256</sup>

Fischer did also not shy away from bringing up the controversial idea of a Europe of multiple speeds, based on a core of member states, which had already been outlined in the *Schäuble-Lamers paper* in 1996.

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<sup>253</sup> Ibid.

<sup>254</sup> Ibid.

<sup>255</sup> Fischer proposed that a core group of states should lay the foundations for a European federation and should 'develop its own institutions, establish a government which within the EU should speak with one voice on behalf of the members of the group on as many issues as possible, a strong parliament and a directly elected president' (Ibid).

<sup>256</sup> Ibid.

The 'centre of gravity' would consist of a core group of pro-integrationist member states, who would lead the way towards further progress in terms of the deepening of integration and the development of a federal structure for the EU. Other member states should be allowed to join the core group at any time follow later, should they wish to do so:

'One possible interim step on the road to completing political integration could then later be the formation of a centre of gravity. Such a group of states would conclude a new European framework treaty, the nucleus of a constitution of the federation (...) Such a centre of gravity would have to be the avant-garde, the driving force for the completion of political integration and should from the start comprise all the elements of the future federation'<sup>257</sup>

The wide-ranging and partly controversial Fischer proposals found a strong media echo in a lot of member states, especially in France and Britain. In the aftermath of the speech, the British Prime Minister came under increasing domestic pressure to make a British contribution to the debate on EU reform, which had been initiated by Fischer's speech<sup>258</sup>. As a result, in the months following the Berlin speech and leading up to the December 2000 IGC in Nice, the debate on the future of the EU intensified, with major speeches given by the French Prime Minister Lionel Jospin<sup>259</sup> only a few days after Fischer's speech, and by French President Chirac in the German *Bundestag* in June 2000.

The British Prime Minister finally made his contribution to the ongoing debate about institutional reform when he addressed the Polish Stock Exchange on October 6<sup>th</sup> 2000.

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<sup>257</sup> *Ibid.*

<sup>258</sup> *The Observer* called on the British Prime Minister to take the lead in the emerging debate on Europe, in order to influence the increasingly federalist debate in terms of a greater focus on intergovernmentalism (*The Observer*, 'Blair needs to take the lead on Europe', 21 May 2000).

<sup>259</sup> 'On the future of an enlarged Europe', Speech by French Prime Minister Lionel Jospin, 28 May 2001, [www.premier-ministre.gouv.fr/en/p.cfm?ref=24924](http://www.premier-ministre.gouv.fr/en/p.cfm?ref=24924) (2001).

In the speech, Blair once again pointed out the need for Britain to remain committed to Europe in order to be able to influence the pre-enlargement debate about the political future of the EU<sup>260</sup>. He rejected the purely free-trade model for the EU, which is favoured by the Eurosceptic wing of the British Conservative Party and acknowledged the need for Europe to co-operate closer on economic and environmental issues, in the fight against crime, as well as foreign and security policy:

‘What people want from Europe is more than just free trade. They want: prosperity, security and strength’<sup>261</sup>

Blair has however expressed great reluctance to follow Joschka Fischer’s vision of a federal Europe, especially if it meant the weakening of the intergovernmental element in favour of the development of a supranational European framework. Blair called for the EU to remain a Community of ‘free, independent sovereign nations who choose to pool that sovereignty in pursuit of their own interests and the common good’<sup>262</sup>. The balance between a strong intergovernmental base and supranational elements would have to remain in favour of the nation states. Blair pointed out that only under such circumstances could the EU turn into a powerful entity, as he called it a ‘superpower’ rather than a ‘superstate’:

‘Such a Europe can, in its economic and political strength, be a superpower; a superpower, but not a superstate’<sup>263</sup>

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<sup>260</sup> Blair stressed that British non-engagement in the EU would have serious consequences for the British influence in the world, as the EU was about to become larger and more influential: ‘For Britain, as for those countries queuing up to join the European Union, being at the centre of influence in Europe is an indispensable part of influence, strength and power in the world. We can choose not to be there; but no-one should doubt the consequences of that choice and it is widely unrealistic to pretend those consequences are not serious’ (Prime Minister’s speech to the Polish Stock exchange, 6 October 2000, [www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32)).

<sup>261</sup> Prime Minister’s speech to the Polish Stock exchange, 6 October 2000, [www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32).

<sup>262</sup> *Ibid.*

<sup>263</sup> *Ibid.*

From Blair's point of view, the debate about the institutional reform of the EU would have to clearly take into account the wants and needs of the people of Europe, in order to be able to bridge the declining identification of Europe's citizens with the Community:

'The problem Europe's citizens have with Europe arises when Europe's priorities aren't theirs. No amount of institutional change most of which passes them by completely will change that'<sup>264</sup>

Blair made it clear that from the British perspective the reconnection between the EU and its citizens could only be managed by making sure that the EU would continue to be based on a strong intergovernmental base. As a result, there should be no doubt that 'the European Council should above all be the body which sets the agenda of the Union'<sup>265</sup>.

The Prime Minister however proposed a fundamental reform of the working practises of the Council towards greater clarity and transparency by asking the Council to set out an annual legislative agenda in the major policy areas of the EU. This agenda should be worked out in close co-operation with the Commission president, leaving the Commission itself in a prematurely supervisory role with regard to the Council's agenda and being restricted to 'bring forward additional proposals where its role as guardian of those treaties so required'<sup>266</sup>. Blair also proposed an end to the rotation of the Council presidency among the member states in order to achieve greater long-term planning stability and the establishment of elected chairs and team presidencies for the individual Councils.

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<sup>264</sup> Ibid.

<sup>265</sup> Ibid.

<sup>266</sup> Ibid.

In terms of the establishment of a constitution for the EU, the Prime Minister expressed the traditional British caution towards binding legal documents as the basis for the constitutional framework of the state<sup>267</sup>. Instead of a comprehensive written legal constitution for the EU, Blair suggested a 'statement of principles or a 'charter of competences', which would determine the division of powers between the national and the Community level. This document should be rather political, which means that it would not be of a legally binding nature. The rather vague stance on the constitutional issue can be seen as an expression of the government's initial fear of the domestic reaction to the idea of a legal constitution for the EU in the UK. The notion of a legally binding European constitutional framework is closely linked to the fear that this would give the EU the legal identity of a state and would thus be a significant step towards the creation of a federal superstate<sup>268</sup>. In order not to be accused of giving in to continental federal aspirations, the New Labour government was consequently more than reluctant to accept the idea of a constitution during its first term in office (Grabbe and Münchau, 2002, p. 17).

Extending his emphasis on the strengthening of the intergovernmental element within the EU, the Prime Minister takes up Joschka Fischer's proposal of the creation of a second chamber for the European Parliament, which would create a stronger link between national parliaments and the EU level. In contrast to Fischer's concept though, Blair does not foresee any involvement in the scrutiny of EU legislative acts for the second chamber, which would consist of representatives from the national member states' parliaments.

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<sup>267</sup> Blair argued that the EU's institutional and procedural framework would be too complex to determine it in one single, written document. Similar to the British constitution, the EU should continue to be based on 'a number of different treaties, laws and precedents'. Blair went on to stress that from the British perspective, 'a constitutional debate must not necessarily end with a single, legally binding document called a Constitution for an entity as dynamic as the EU' (Ibid).

<sup>268</sup> The public perception on the issue in Britain is strongly influenced by large sections of the Eurosceptic press and the Conservative Party, who are strongly opposed to the establishment of a written constitution for Europe and continue to argue that it would be an irrevocable step towards a federal superstate. During an interrogation of the then Minister for Europe, Peter Hain, the Tory Eurosceptic MP Bill Cash warned of the danger of 'an autochthonous constitution, which means that it grows from its own roots', which would lead to an unstoppable process towards further loss of national powers (See House of Commons Select Committee on European Scrutiny, Minutes of Evidence, Examination of Witnesses Rt Hon Peter Hain MP and Mr Nick Baird, question 56, 16 July 2002, <http://www.publications.parliament.uk/pa/cm200102/cmselect/cmeuleg/1112/2071601.htm>. See also press notice on the Conservative party website, in which the MEP Timothy Kirkhope opposes the idea of a constitution as 'a further bold step towards a European superstate' ([www.conservatives.com/news/article.cfm?obj\\_id=37574](http://www.conservatives.com/news/article.cfm?obj_id=37574)).

Its role should rather consist of the ‘political review’ of the ‘statement of principles’ which determine the division of powers within the Community and the scrutiny of decision-making in the area of Common Foreign and Security Policy<sup>269</sup>. Blair’s focus is therefore once more on the powers of the representatives of the national governments in the Council, rather than on the strengthening of the parliamentary influence in the EU.

This is also clear with regard to the role of the European Commission in a reformed EU. Whereas Fischer was bold enough to bring up the possibility of turning the Commission into a proper executive body, reminiscent of the concept of a European federal government, Blair ignores any notion of the strengthening of the Commission’s powers. Instead, he states that the EU has to reconsider the size of the Commission in order for it to remain effective after the accession of further member states.

The Prime Minister concluded his speech by basically agreeing to the notion of the formation of multiple hard cores on certain issues. He however rejected the creation of a permanent hard core, as envisaged by Fischer, ‘in which some Member States create their own set of shared policies and institutions, from which others are in practice excluded’<sup>270</sup>.

The process of institutional change would therefore have to be agreed on by all member states and could not be advanced by a small group, something which Fischer had considered to be a possibility. On top of that, Blair insisted that any group of member states, which would choose to advance faster in a certain policy area than others, would have to make sure that their group was open to any member states who wished to join ‘at every stage’<sup>271</sup>

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<sup>269</sup> Ibid.

<sup>270</sup> Ibid.

<sup>271</sup> Ibid.

Fischer's Berlin and Blair's Warsaw speeches were the starting point for the official government proposals for the IGC at Nice in December 2000, which was supposed to clear out the remaining questions on pre-enlargement institutional and procedural reform. The official German and British approach to the IGC re-confirmed the visions for Europe, which had been put forward by Fischer and Blair. While the official German proposals for Nice tended towards the creation of a federal structure for the EU as proposed by Fischer, the British White paper on Nice once again stressed the intergovernmental character of the Community.

Fischer had re-confirmed his ideas in an interview with the *Berliner Zeitung* on October 16<sup>th</sup> 2000. During the interview Fischer argued for a strengthening of the powers of the Commission and the European Parliament and re-iterated his proposal to directly elect the Commission president. It was therefore clear that he personally preferred the second of the two models he had outlined in his Humboldt speech. While the British prefer Fischer's first model, that of an EU based on a strengthened Council, the Foreign Minister himself clearly favours the federal model: the development of the Commission into a strong EU federal executive government, led by a directly elected Commission president and still based on strong nation states:

'A directly elected president, who can freely pick his government ... However, this would have to be balanced out by an appropriate institutional representation of the enduring nation states (...) I think that within a ten years, thus before the end of this decade, we will stand on the threshold of a European federation (...) I do however not think that the nation states will dissolve in favour of a Europe of regions. The regions will be of great importance, but they will not replace the member states'<sup>272</sup>

It became clear that, in spite of Fischer's earlier insistence that the proposals set out in his Berlin speech were of a private nature, the official German positions were strongly based on Fischer's Humboldt speech.

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<sup>272</sup> Joschka Fischer Interview, *Berliner Zeitung*, 16 October 2000, <http://www.berlinonline.de/wissen/berlinerzeitung/bin/dump.fcgi/2000/1016/politik/0075/index.html?keywords=Fischer;ok=OK%21;match=strict;author=;ressort=;von=16.10.2000;bis=16.10.2000;mark=fischer>.

The official German statement of principles for Nice linked the possibility of an agreement with regard to the number of Commissioners in an enlarged EU to a reform of the internal structure of the Commission. In this respect the German government proposed

‘the strengthening of the position of the Commission president, or within the framework of a comprehensive solution, the increase of the number of vice presidents with overlapping co-ordinating responsibilities.’<sup>273</sup>

Due to the experiences with the Santer Commission, who collectively resigned in 1999 after two Commissioners had been embroiled in bribery scandals, Germany called for a change in the principle of collective responsibility of the Commission to a new practice, which would allow to force individual Commissioners to resign<sup>274</sup>.

Gunter Pleuger, German Foreign Office minister in charge of institutional reform, consequently took on board Foreign Minister Fischer’s emphasis on the need to strengthen the Commission, and especially its president. Pleuger clarified the details, of how the German government would like to see the Commission president strengthened:

‘He has to determine the cut of the department and has to be able to change them at any time. The Commission President has to be in charge of an authority in matters of general practice as regards content. We take the view that he shall also be enabled, to ask individual Commissioners to resign, if they have committed a breach of duty’<sup>275</sup>

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<sup>273</sup> *Grundsatzpapier der Bundesrepublik Deutschland zur Regierungskonferenz zu den institutionellen Reformen*, 30 March 2000, p.4, source: Weidenfeld, 2001, CD Rom supplement.

<sup>274</sup> *Ibid*, p. 6.

<sup>275</sup> ‘*Die institutionelle Reform der Europäischen Union: Perspektiven auf dem Weg nach Nizza*’, *Rede von Staatssekretär Dr. Gunter Pleuger in der Humboldt-Universität, Berlin, 26 October 2000*, <http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden/2000/r001026a.pdf>.

In terms of greater flexibility within the EU, the official German position came very close to what Fischer had proposed in Berlin, although it did not go quite as far as that. The German government stressed that it would like to see greater flexibility within the EU with regard to the possibility of the formation of multiple hard cores.

In a joint position paper with the Italian government, Germany therefore put forward proposals to make it easier for a group of states to advance quicker than others in certain policy areas. This should include the abolition of the right to veto the formation of core groups by any single member state due to 'domestic policy interests', and the reduction of the necessary minimum number of participating states to five<sup>276</sup>. However, the notion of a 'Europe à la carte' was specifically rejected.

Hence the option of a hard core establishing the institutional framework for a European federation, which would be joined by other member states later, something Fischer had proposed as a possibility in his Humboldt speech, had clearly been dropped. The German-Italian joint proposal on greater flexibility stressed in this respect that not only would multiple cores have to be transparent, in order for any other member state to be able to join at any time. It also strongly emphasised that the formation of a core group in a certain policy area would have to be strictly based on the existing institutional framework and should not be allowed to break out of it without the agreement of all member states:

'These member states should be enabled to form an open functional vanguard, which serves the integration process and which remains open at all times for the future participation of further member states (...) The use of enhanced co-operation has to serve the common goal of quicker and enhanced integration. The *acquis* of the Union must not be undermined by the enhanced co-operation'<sup>277</sup>

The official German proposals for Nice also adopted Fischer's proposal to base a reformed EU on a written constitution, which would not only define the division of powers between the national and the EU level.

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<sup>276</sup> *Deutsch-italienischer Übermittlungsvermerk zur Regierungskonferenz 2000 betreffend der verstärkten Zusammenarbeit*, 6 October 2000, p. 4, source: Weidenfeld, 2001, CD rom supplement.

<sup>277</sup> *Ibid*, p.3.

They went even further and demanded that the Charter of Human Rights, which would be proclaimed at Nice, should be included in the *acquis communautaire*, in order to establish a basis for a written constitution<sup>278</sup>. As a result, the Charter would attain legal status and would give each EU citizen enforceable basic rights.

Above all, Germany took a principally pro-integrationist stance at Nice with regard to decision-making procedures and the further harmonisation of policies. The German government promoted the extension of Qualified Majority Voting (QMV) to principally all areas of decision-making. Exceptions should be determined according to the implications of the decisions in a 'concrete catalogue of criteria', based on the principle of 'exception to the rule'<sup>279</sup>. In terms of the criteria, the German government proposed exemptions from the principal rule of decision-making by QMV for the decisions, which are characterised by the following criteria:

' Decisions, which are subject to ratification by the member states (...); Decisions with constitutional character, which are outside a treaty change (...); Decisions, by which the adoption of QMV would mean a retrogression with regard to integration (...) Decisions with links to military policy and defence'<sup>280</sup>

As a result, decisions 'should in principle only continue to be decided by unanimity, if they meet the named criteria after a strict examination. Foreign Office minister Pleuger stressed that Germany would especially push towards the extension of QMV towards crucial areas of decision-making, where an agreement among member states had traditionally been difficult: social policy, justice and home affairs, taxation, trade policy and anti-discriminatory measures<sup>281</sup>.

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<sup>278</sup> '*Die institutionelle Reform der Europäischen Union: Perspektiven auf dem Weg nach Nizza*', Rede von Staatssekretär Dr. Gunter Pleuger in der Humboldt-Universität, Berlin, 26 October 2000, <http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden/2000/r001026a.pdf>.

<sup>279</sup> *Grundsatzpapier der Bundesrepublik Deutschland zur Regierungskonferenz zu den institutionellen Reformen*, 30 March 2000, p.5, source: Weidenfeld, 2001, CD Rom supplement.

<sup>280</sup> *Ibid*, p. 6.

<sup>281</sup> '*Die institutionelle Reform der Europäischen Union: Perspektiven auf dem Weg nach Nizza*', Rede von Staatssekretär Dr. Gunter Pleuger in der Humboldt-Universität, Berlin, 26 October 2000, <http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden/2000/r001026a.pdf>.

Moreover, in a joint Franco-German letter on the extension of QMV in the run-up to Nice, both countries called for the extension of QMV to all decisions concerning the harmonisation of sales taxation, excise duties, the co-operation between national tax authorities, the removal of barriers for the single market and tax competition between member states<sup>282</sup>.

The official British government white paper for Nice stressed that even an enlarged EU of 15 plus x states 'will continue to be a mixture of intergovernmental co-operation and, where it makes sense, integration'<sup>283</sup>. In this respect, the British position on the future shape of the EU was therefore not too far apart from that of the German government, as both emphasised that the Community would have to continue to be based on intergovernmental as well as supranational elements. The British approach to institutional reform was, however, much more focused on the preservation of the intergovernmental basis for the fundamental decision-making processes within the Community.

In contrast to the German side, the British government based its considerations on institutional and procedural reform on the clarification that the fundamental control over the integration process would have to remain in the hands of the member states' national governments:

'But the Member States themselves will remain at the heart of decision making in Europe. Co-operation and co-ordination will be the general rule. In responding to the challenges of economic policy co-ordination, the development of an effective role in defence and in building co-operation in justice and home affairs, it will be decisions taken by governments, working together, that shape Europe.'<sup>284</sup>

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<sup>282</sup> *Deutsch-französisches Schreiben zur Regierungskonferenz 2000 betreffend Ausweitung der qualifizierenden Mehrheit bezüglich Steuern*, 21 November 2000, p. 2, source: Weidenfeld, 2001, CD rom supplement.

<sup>283</sup> 'IGC:Reform for Enlargement The British Approach to the European Union Intergovernmental Conference 2000', White Paper presented to Parliament, February 2000, p. 10, paragraph 21, Her Majesty's Stationery Office.

<sup>284</sup> *Ibid*, p. 10, paragraph 22.

With regard to the Commission, the UK approach did not foresee a fundamental change in the Commission's role within the institutional framework of the EU but rather a clear definition of its role as the institution in charge of 'delivering the objectives that the EU's political leaders set'<sup>285</sup>. The white paper stated that hence 'Commission reform does not on the whole require Treaty change'<sup>286</sup>, but rather a reduction in the number of Commissioners and a restructuring of its internal organisation. The notion of giving further powers to the Commission or even to directly elect its president was not given any mention whatsoever.

The focus was rather on reform of the Council as 'the primary decision making body in the EU'. Here the British government favoured a reweighing of the voting system in favour of the larger member states in order to compensate for their loss of influence, should a decision to reduce the number of their Commissioner to one be reached. With regard to the extension of QMV, where the German government had demanded the general use of QMV in the Council, with the exception of areas determined in a 'catalogue of exceptions', the UK showed a principally positive attitude. While the mention of the issue used to make Conservative British administrations see red, the Blair administration generally accepted that in an enlarged EU, the extension to QMV would be inevitable:

'The Government recognises that, as the Union grows in size, so decision making by unanimity becomes more difficult. Qualified majority voting (QMV) in the Council of Ministers can help to make decision making easier'<sup>287</sup>

It is remarkable in this respect that decision-making by QMV is no longer rejected by the British side on the fundamental objection that it would lead to the 'supranationalisation' of the EU.

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<sup>285</sup> Ibid, p. 16, paragraph 40.

<sup>286</sup> Ibid, p. 16, paragraph 42.

<sup>287</sup> Ibid, p. 20, paragraph 54.

On the contrary, the Blair administration accepts that, in many areas, decision-making by QMV is in Britain's interests, as it makes decisions, which are favoured by the UK, but opposed by other member states, easier to achieve. The prime example for this is the UK's interest in advancing the liberalisation of the Single European Market:

'QMV does not weaken Britain's position in Europe. On the contrary, it helps Britain to pursue an agenda that is in our interests. The Single Market is a prime example of that. It could not have been put in place without qualified majority voting'<sup>288</sup>

The British position was consequently much closer to the German position than it had ever been before, as it basically supported its extension to further areas of decision-making. The main difference between the German and the British approach, however, was the extent of the extension of QMV. While Germany wanted to include even sensible areas such as taxes, social policies, justice and home affairs, the UK government stressed that 'in areas of key national concern we will insist on retaining unanimity'<sup>289</sup>. For the British, the exceptions would therefore not only include constitutional issues, treaty changes and defence, as proposed by Germany, but taxation, national border controls and social security<sup>290</sup>.

The British government nevertheless generally remained open to discuss the extension of QMV into any other areas of decision-making, 'where it is in Britain's interest'<sup>291</sup>.

On the issue of individual responsibility of individual Commissioners, which had emerged due to the corruption scandals within the Santer Commission in 1999, the British government supported the German calls for an individual responsibility of Commissioners.

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<sup>288</sup> Ibid, p. 20, paragraph 55.

<sup>289</sup> Ibid, p. 21, paragraph 61.

<sup>290</sup> Ibid, p. 20, paragraph 58.

<sup>291</sup> Ibid, p. 21, paragraph 60 and 61.

Rather than to pass a vote of no confidence against the whole Commission, this would allow individual Commissioners to be sacked by the Commission president should they behave irresponsibly in office. In contrast to the German position, Britain was not in favour of giving the European Parliament the powers to sack individual Commissioners. The Germans had considered this issue as a chance to enhance the powers of the European Parliament, whereas for the British such a step would undermine the powers of the national governments to control the Commission:

‘(...)it would weaken the collegiality of the Commission and lead to a significant change in its relationship with the European Parliament. It would also overlook the important role of the Member States in nominating Commissioners in the first place’<sup>292</sup>

In the run-up to Nice, the British government did also not support the German initiative to change the rules for greater flexibility within the Community. Although it accepted that greater flexibility would have to be necessary, the British side did not see any need to weaken each member state’s right to veto the formation of core groups on the basis of important reasons of domestic policy. The British government stressed that such an ‘emergency brake’ would continue to be necessary in order to make sure that

‘too much flexibility did not undermine the Single Market, or could not be used against the interests of a minority of Member States. Those remain important objectives’<sup>293</sup>

It was nevertheless remarkable that, mainly as a result of the experiences of the Kosovo war, the UK government now favoured greater flexibility in the area of defence and security.

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<sup>292</sup> Ibid, p.24, paragraph 70.

<sup>293</sup> Ibid, p. 25, paragraph 76.

Here it proposed to establish decision-making procedures, which would allow to initiate operations of the EU's Rapid Reaction Force, in which member states could choose to simply support the engagement, without having to participate in it.

Moreover, the British government suggested that such procedures would have to enable non-EU member states to participate in military operations, including the decision-making process<sup>294</sup>.

In spite of the disagreements in detail and the different focus, the pre-Nice approaches of Britain and Germany shared a common determination to achieve fundamental reform in order to make the EU fit for enlargement. It was obvious that even under New Labour, the UK was approaching the reform issues from a more intergovernmental point of view than Germany. The British tradition of defining Europe as a community of strong and independent nation states, who would remain in full control of the process of pooling of sovereignty on the Community level, continued to have an effect on British European policy. At the same time, German leaders became increasingly ready to let their domestic political culture of cooperative federalism influence their vision of Europe. Provided one accepts that the difference in political culture in both countries almost unavoidably have to lead to different approaches towards institutional reform, it is not difficult to work out areas of corresponding interests. The fact that both the Blair and Schröder administration pushed towards fundamental reform as a precondition for the successful initiation of further enlargement of the EU, showed a fundamental correspondence between the two countries in terms of their perception of the right way forward for the future of Europe.

In this respect it was not so important that the German government pursued a federal vision for the EU and the British side emphasised its intergovernmental character. Rather crucial was the fact that both countries had become allies in promoting fundamental changes in the status quo of the Community against a rather complacent French Council presidency.

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<sup>294</sup> Ibid, p. 25, paragraph 77.

The fact that Britain under New Labour had become positively engaged in the debate about the future of Europe and was now pursuing an 'active rather than a reactive engagement in Europe' (Jeffery and Sloan, 2000, p. 5) had brought the country much closer to Germany during and after Nice.

Germany, now being led by a younger generation of more pragmatic leaders, who are willing to put forward their own vision of Europe without hesitation, was much less willing to go along with the agenda of its traditional European ally, France, at Nice. As a result, in spite of the differences in approach towards European reform, British and German leaders sided at Nice and opposed a rather complacent French presidency in its attempt to dominate the agenda. Blair and Schröder co-operated closely to rescue the Nice summit from complete failure, when it became obvious that a number of member states were opposed to French proposals on EU reform<sup>295</sup>. Both leaders could however not compensate for the lack of co-ordination of the French Council presidency at Nice, which is why the treaty passed by the IGC did not deliver the major reforms it was supposed to<sup>296</sup>.

Disappointing as it was in terms of the actual progress achieved, Nice nevertheless marked an important shift in the internal structure of the EU. The obvious collapse of the Franco-German couple, which had been the motor of integration for decades, opened up the possibility for new and flexible working relationships within the Community. It is therefore important for the future of the EU that Nice marked a widening of the gap between France and Germany and an increasing convergence between Britain and Germany. The French found it obviously hard to cope with an increasingly self-confident and active Germany, which no longer would leave the EU reform agenda with France and instead set out its own priorities for the future.

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<sup>295</sup> See *The Times*, 'Marathon summit in chaos', 11 December 2000.

<sup>296</sup> Heather Grabbe summed up the disappointing outcome of Nice by emphasizing that 'the final deal at the end of 2000 was little better than what looked within reach at Amsterdam in 1997, even after many months of deliberation and hours of prime ministerial time' (Grabbe, 2001, p. 1).



‘Not all hopes with which we went to Nice have been fulfilled in the end (...) Based on a German-Italian initiative, the intergovernmental conference has worked out the framework for the period after Nice. This has clarified that the discussion about Europe will continue. Many questions arise in this respect. I only name the division of competences between the national and the European level, the division of powers between the Brussels institutions, the future status of the Charter of Basic Rights, the simplification of the treaties and also the role of the national parliaments. Nobody has to teach us how important the response to these questions is. It is exactly why, before and during Nice, we have so persistently, and finally successfully supported a comprehensive intergovernmental conference in 2004.’<sup>300</sup>

The failure of Nice to achieve fundamental reform had consequently brought Britain and Germany even closer together in their pursuit to prepare the EU’s institutional setting for enlargement. As Jeffery and Sloan note, the changes in both countries’ attitudes towards European integration

‘(...) has brought the UK closer to a Germany arguably moving in an opposite direction from an earlier, “instinctive” Europeanism to a more conditional commitment to the European integration process focused on more explicit conceptions of cost and benefit for Germany’ (Jeffery and Sloan, 2000, p. 5)

In the aftermath of Nice, both the British and the German government consequently made increased efforts to come to a mutual understanding of each other’s position on the future of Europe. Only shortly after the Nice summit, German Foreign Minister Fischer was awarded with the ‘German British 2000 award’. Fischer used the opportunity of his acceptance speech in London on January 24<sup>th</sup> 2001, to explain the German stance on institutional reform to the British side. In contrast to the federal vision he had set out at the Humboldt University a year before, Fischer now focused much more on the intergovernmental basis of the Union.

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<sup>300</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag zu den Ergebnissen des Europäischen Rates in Nizza, Berlin, 19 January 2001, <http://www.bundeskanzler.de/Regierungserklaerung-.8561.21773/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>*.

He accepted that the nation state ‘would always remain irreplaceable in the Union, in order to convincingly and fully legitimise European decisions as democratic’<sup>301</sup>.

As a result, Fischer rejected the criticism of British Eurosceptics that the deepening of European integration would necessarily lead to a superstate.

He argued that in contrast to the belief of many in Britain, the German position focused on the need for deeper integration in areas where it made sense, without trying to challenge the integrity of the nation state as the fundament of the Community:

‘The European integration thus has to take the member states on board. Only if their institutions will not be devaluated or even disappear, will the completion of European unification succeed. The horror vision of British Eurosceptics, the so-called “superstate”, which replaces the old nation states and their democracies as the new sovereign, is therefore nothing but a myth, a synthetic construct beyond all grown European realities’<sup>302</sup>

Fischer stressed that in the debate on the future of Europe, member states would have to accept each other’s differences in domestic political cultures, which would also lead to different approaches. In the case of Britain and Germany, this amounted to a different interpretation of federalism:

‘Because each of our national constitutional histories differ, we associate different, partly even contrasting ideas with the same term. A good example is this terrible German f-word, which implicates decentralisation for us and centralisation for you.’<sup>303</sup>

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<sup>301</sup> *Rede des Bundesministers des Auswärtigen Joschka Fischer anlässlich der Verleihung des ‘German-British 2000 Award’, London, 24 January 2001, [www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden/2001/r010124c.pdf](http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/reden/2001/r010124c.pdf).*

<sup>302</sup> Ibid.

<sup>303</sup> Ibid.

It became clear in Fischer's remarks that like the British, the German government saw the main post-Nice priority for institutional reform in 'a clear regulation of competences between ' "Europe" and its member states'.

As Fischer emphasised, this would amount to an EU based on a combination of 'strong European institutions with extensive powers to act for European decisions, at the same time based on strong member states in the future Union'<sup>304</sup>. In spite of the continuing differences in political culture in both countries, Britain and Germany had therefore moved much closer to each other in terms of defining Europe:

'Even if our cultural and historical conditions will continue to leave their mark on us, it is crucial that our interests with regard to Europe converge far more today than in the past. It is the desire for a Union, which is capable to act and for the establishment of freedom and democracy in our neighbouring regions, which motivates us both, to continue European integration'<sup>305</sup>

The post-Nice German disappointment about the lack of enthusiasm for reform on the part of the former close partner France was big enough to let German leaders seriously look out for alternative partners in the reform debate. In spite of the country's history of Euroscepticism, a Britain led by a fundamentally pro-European government, which was ready to do business with Europe, was perceived as an ally in the impetus towards post-Nice reform. In an interview I conducted with the vice-president of the *Bundestag* committee for EU affairs, Professor Jürgen Meyer, who is at present also the official representative of the German parliament in the Convention on the Future of Europe, this became more than obvious. Meyer expressed his disappointment about the outcome of Nice, which in his opinion had left fundamental issues aside<sup>306</sup> and stressed the importance of a renewed reform discussion to prepare the 2004 IGC.

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<sup>304</sup> Ibid.

<sup>305</sup> Ibid.

<sup>306</sup> With regard to Nice, Professor Meyer said: 'The summit has only achieved the absolute minimum. The results are anything else but nice' (Interview with Professor Jürgen Meyer, MdB, SPD- Party conference, Nuremberg, 20 November 2001).

With regard to the possibility of achieving the necessary reforms, Meyer welcomed the prospect of an enhanced leadership constellation in the EU, which would no longer simply be limited to the Franco-German couple<sup>307</sup>, which had not shown much leadership qualities at Nice. In this respect, he also underlined his hope that the British government would continue to play a positive role in Europe in order to be able to take on a leadership role in the debate about the future of the Union:

‘I would consider it to be desirable if, for example, Britain would, far more than in the past, take on a leading role, instead of functioning as a brake’<sup>308</sup>

A symbolic sign of the growing correspondence between British and German leaders in the aftermath of Nice were the mutual invitations of Chancellor Schröder and Prime Minister Blair to each other’s party conferences in 2001. In Schröder’s speech at the annual Labour Party conference in Brighton in October 2001, which had been overshadowed by the effects of the terrorist attacks of September 11<sup>th</sup>, Schröder emphasised the importance of British engagement in Europe:

‘(...) it was so important for Great Britain under the leadership of Tony Blair and Labour to join us and our European partners, without competitive squabbling and petty jealousies. Europe is the most successful political project in our varied and sometimes bloody history. Europe is not only the people’s answer to war. I am convinced that Europe will also play a vital role in the peoples’ answer to terrorism.’<sup>309</sup>

Blair spoke at the SPD party conference in Nuremberg in November 2001, where he pointed out that personal relations between him and Schröder were better than ever before.

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<sup>307</sup> Meyer pointed out the benefits of an enhancement of the bilateral Franco-German leadership role after Nice ‘The more members participate in such a leadership role, the better and the more likely to achieve consensus I reckon the policy of the European Union will become’ (Ibid).

<sup>308</sup> Ibid.

<sup>309</sup> Speech by Gerhard Schröder, German Chancellor, Labour Party conference, Brighton 2001, [http://uk.srd.yahoo.com/go.uk/Speech+by+Gerhard+Schröder+Labour+Party+conference+2001/1/\\*http://www.bits.de/public/documents/US\\_Terrorist\\_Attacks/schroeder011001e.htm](http://uk.srd.yahoo.com/go.uk/Speech+by+Gerhard+Schröder+Labour+Party+conference+2001/1/*http://www.bits.de/public/documents/US_Terrorist_Attacks/schroeder011001e.htm).

In an apparent sideswipe at the deterioration in personal relations between French and German leaders, especially between Schröder and Chirac, Blair stressed that this provided a good basis for close long-term Anglo-German relations:

‘No British Prime Minister and German Chancellor can have had a closer or warmer relationship than we do. And I look forward to many years ahead, after your elections next autumn, when I am confident it will grow closer still’<sup>310</sup>

Blair pointed out that the British and the German government were co-operating closely on the debate about reform of the EU and welcomed a new SPD initiative in the debate, a document on Germany’s role in Europe, which had been discussed at the conference on the same day. Once again it became clear, that the Blair government accepted disagreements in the detailed reform proposals and considered it to be more important that Germany was on the British side in supporting the reform agenda:

‘I welcome the debate on the Future of Europe which Gerhard and I played a significant role in initiating at Nice. I also congratulate the SPD on its most thoughtful contribution to that debate which you have discussed at your Congress this morning. Whatever disagreements on certain points in detail, I agree strongly that it is essential for Europe’s future development that we provide guarantees against centralisation and are clear about the division of responsibilities between Europe’s institutions. Britain has nothing to fear from a constructive and wide-ranging debate about Europe’s constitutional future. Britain under New Labour leadership wants to be a full partner with Germany and others in the development of the European Union. This is our true destiny’<sup>311</sup>

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<sup>310</sup> Speech by the Tony Blair at the SPD *Party conference*, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002017/index.html>.

<sup>311</sup> *Ibid.*

The SPD leadership draft document on ‘Germany in Europe’<sup>312</sup>, which had been circulated months before it was passed at the Nuremberg party conference and was hence widely discussed across Europe, re-confirmed the German federal perspective on the future of the EU.

In his contribution during the debate on foreign and security issues at the Nuremberg conference, Chancellor Schröder confirmed that the SPD paper was supposed to be a controversial contribution to the post-Nice debate, which should once again prove the German commitment to substantial reform in an enlarging EU. Schröder emphasised that the document was an attempt to outline a federal structure for the EU, which would clearly define the division of powers between the Community and the national level. This would include greater powers for the Community level in some areas, but also possibly the redistribution of competences to the national level:

‘The motion, which you have in front of you, has indeed caused a sensation and that is what it was supposed to do (...) The main issue is a decision on the question: What remains in the hands of the nation states and what necessarily has to become Brussel’s responsibility? With regard to this question of competences, it is perfectly possible that the nation state will have to hand over further competences to Europe. But this process is also possible in the opposite direction: That those questions, which need not be solved in the European context, are transferred back to the nation state out of inner compulsions. This will be the task for the discussion about the division of competences in and for Europe’<sup>313</sup>

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<sup>312</sup> ‘Verantwortung für Europa – Deutschland in Europa’, SPD leadership draft motion for the Party conference in Nuremberg, <http://www.spd.de/servlet/PB/show/1010138/beschlussbuch.pdf>, pp. 42-55.

<sup>313</sup> Rede des SPD-Parteivorsitzenden, Bundeskanzler Gerhard Schröder zum Themenbereich Außen- und Sicherheitspolitik, SPD-Party conference, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002034/index.html>.

The SPD motion stressed that ‘there is no alternative to further integration and Europeanisation’<sup>314</sup> and called for greater co-operation on the EU level in a number of crucial areas, such as taxation, social policy, environmental protection, the fight against crime and international terrorism, as well as defence and security.

The paper confirmed the German commitment to a European Charter of Rights, which should not be limited to rights of liberty and equality, but would have to make sure that the basic economic conditions for a decent existence of every European citizen are provided across the EU;

‘This includes the realisation of political and social participation and the creation of the economic preconditions for dignified existence’<sup>315</sup>

In order to achieve this, the Charter of Rights should not simply be a ‘festive declaration’, but would have to be included into the EU treaties and thus become legally binding, in order to enable EU citizens ‘to lodge a complaint or institute proceedings at the European Court of Justice, if they see their rights endangered by EU institutions’<sup>316</sup>. The Charter should also be the basis for the development of a common European asylum and immigration policy, based on an ‘area of freedom, security and law’<sup>317</sup>.

With regard to institutional reform, the SPD motion stressed the need to clarify the division of powers between the Community, the national and the regional level in order to come to a much more transparent and simplified structural framework for the EU. It stressed explicitly that such an overhaul of the present institutional setting would also have to look at competences which were wrongly based in the hands of the EU institutions, when they could be better handled on the national level:

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<sup>314</sup> ‘*Verantwortung für Europa – Deutschland in Europa*’, SPD leadership draft motion for the Party conference in Nuremberg, <http://www.spd.de/servlet/PB/show/1010138/beschlussbuch.pdf>, p. 42.

<sup>315</sup> Ibid, p.47.

<sup>316</sup> Ibid, p. 47.

<sup>317</sup> Ibid, p. 48.

‘The member states – and in Germany also the *Länder* and the local authorities have lost out in terms of their political scope of action during this process, although relevant decisions in many areas can be better decided on their level (...) The present system of the division of tasks lacks transparency and clarity. Therefore it is often not recognisable, which political level is responsible for decisions, which directly intrude on the real life of citizens. Through this, the legitimacy of political action on the European level is called into question.’<sup>318</sup>

Although the paper generally supported the deepening of integration in many areas, the emphasis on the lack of transparency, and the need to redefine the division of competences in Europe, showed that the perspective of the German government after Nice had indeed moved very close to the British priorities.

In this respect, the SPD leadership stressed that the basis for the essential decisions on the future of Europe would have to remain in the hands of the national governments, something which is at the heart of the British reform demands:

‘The right to transfer new competences to the EU level, has to remain in the hands of the member states. The division of tasks between the federal level, the *Länder* and the local authorities is, and remains a question of domestic policy’<sup>319</sup>

As part of a better use of the subsidiarity principle, the paper explicitly named agricultural and structural policies as possible areas which could be transferred back to the national level, while at the same time the deepening of co-operation on the EU level would have to be strengthened with regard to foreign and security policy and matters of security and immigration<sup>320</sup>. Furthermore, in order to achieve greater transparency and scrutiny on decision-making within the EU, the three major Community institutions would all have to be strengthened.

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<sup>318</sup> Ibid, pp. 52-53.

<sup>319</sup> Ibid, p. 53.

<sup>320</sup> Ibid, p. 53.

The motion proposed to develop the Commission into a true European executive and to enhance the rights of the European Parliament further, granting it full budgetary powers<sup>321</sup>. The Commission president would have to be elected by the European Parliament in order to provide a stronger link between the institution which is elected by the citizens of Europe and the Union level<sup>322</sup>. With regard to the Council, a development towards a European chamber of states should be attempted with a clear expansion of decision-making by QMV<sup>323</sup>.

Chancellor Schröder clarified the proposals in the debate on the motion at the party conference by pointing out that they would represent ‘a reasonable goal’ for the future of Europe, which Germany would contribute to the ‘difficult process of discussion’<sup>324</sup>. Schröder justified the German focus on more integration in essential areas with the traditional post-war German commitment to European unification, which had turned Germany into the main advocate for the deepening of the integration process:

‘I think a good tradition of German European policy exists – not depending on the colour of the political party in this respect – which simply means that, because of its historic experiences and the necessity to integrate Germany in Europe, Germany has always played a strong integrationist role and shall, in our opinion, continue to do so’<sup>325</sup>

The SPD motion was an important contribution to the reform debate in the run-up to the Laeken European Council in December, where the EU leaders finally wanted to get fundamental institutional reform under way.

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<sup>321</sup> Ibid, p. 53.

<sup>322</sup> Ibid, p.54.

<sup>323</sup> Ibid, p. 53 and p. 54.

<sup>324</sup> *Rede des SPD-Parteivorsitzenden, Bundeskanzler Gerhard Schröder zum Themenbereich Außen- und Sicherheitspolitik*, SPD-Party conference, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002034/index.html>

<sup>325</sup> Ibid.

Although controversial in its details, such as the proposal to turn the Commission into a European executive and to have the Commission president elected by the European Parliament, it showed that Germany remained fundamentally committed to the reform debate and was not afraid to state its case. This was strengthened by the fact that the SPD's coalition partner in government, *Bündnis 90/Die Grünen* also published a document on the post-Nice reform debate, which stressed the same priorities for institutional reform<sup>326</sup>.

The British Prime Minister made his own contribution to the approaching Laeken summit during a speech at the opening of the European Research Institute at the University of Birmingham. Blair set out the challenges the EU would face in the immediate future: successful enlargement, turning the Euro into a stable currency, economic reform, defence and substantial institutional reform<sup>327</sup>. Blair emphasised once again that his government would remain engaged in Europe and in the debate on the future of the EU in order to achieve the vision of an EU of strong member states which chose to co-operate closely in order to improve the quality of life for their citizens:

'Britain's future is in Europe. I want a sovereignty rooted in democratic consent. Rooted in being, in this century, not just a national power in shifting alliances, but a great European power in a lasting Union. A Union of nations, of democracies with shared goals, delivering shared peace, stability and prosperity for our citizens. Ours will be a sovereignty rooted in being part not of a European superstate, but of a proud nation, proud of its own identity and of its alliance in Europe'<sup>328</sup>

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<sup>326</sup> Like the SPD motion, the basic *B90/Grüne* paper on the necessary institutional reforms after Nice focused on the need to clarify the division of powers within the Union on the basis of greater subsidiarity. It supported the SPD proposal for the inclusion of a Charter of Basis Rights into the EU treaties and especially emphasised the need to strengthen the European Parliament as the representation of the people of Europe on the Community level, as well as the extension of QMV in the Council. ('*Post-Nizza*' – *Europa gemeinsam vertiefen, Bündnisgrüne Eckpunkte für den Reformprozess und die europäische Verfassungsdebatte*', 2001, [http://www.gruene-partei.de/rsvgn/rs\\_rubrik/0,,694,00.htm](http://www.gruene-partei.de/rsvgn/rs_rubrik/0,,694,00.htm)).

<sup>327</sup> 'Britain's role in Europe', Prime Minister's speech to the European Research Institute, 23 November 2001, <http://www.number-10.gov.uk/output/page3937.asp>.

<sup>328</sup> Ibid.

The insistence on the clarification of the division of competences between the EU institutions and the member state level on both the British and the German side consequently contributed to the decisions reached at Laeken. The British and the German concern with regard to the lack of transparency and democratic accountability of the EU's institutional framework was taken up in the Laeken declaration, passed by the summit on December 15<sup>th</sup> 2001. In the declaration, the EU decided to set up a Constitution on the Future of Europe, consisting of representatives from each member state's government and national parliament, the European Parliament and the Commission<sup>329</sup>.

The Convention, which started working on the March 1<sup>st</sup> 2002 will work out proposals for institutional and procedural reform of the EU within a year, which will then be debated at the 2004 reform Intergovernmental Conference.

As the principal aim of the reform of the EU framework, the Laeken declaration set out a new division of powers and responsibilities which would provide effective outcomes to improve the lives of Europe's citizens. It was stressed that a quasi-automatic development towards further bureaucratisation and supranationalisation should be avoided in favour of enhanced co-operation in areas, which could not be dealt with effectively on the member state level:

'What they expect is more results, better responses to practical issues and not a European superstate or European institutions inveigling their way into every nook and cranny of life. In short citizens are calling for a clear, open, effective, democratically controlled Community approach, developing a Europe which points the way ahead for the world. An approach that provides concrete results in terms of more jobs, better quality of life, less crime, decent education and better health care. There can be no doubt that this will require Europe to undergo renewal and reform',<sup>330</sup>

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<sup>329</sup> 'The Future of the European Union', Declaration passed by the European Council in Laeken, 15 December 2001, p.5, <http://ue.eu.int/Newsroom/related.asp?BID=76&GRP=4061&LANG=2>.

<sup>330</sup> Ibid.

Laeken had set out a clear path towards European reform, which had been substantially neglected at previous summits. It had become clear that the future for the EU would not be a European superstate, but a strengthened Union, in which the member states would co-operate even more closely on issues, which they could no longer deal with independently on the national level. Both the British and the German government were therefore quite content with the outcome of the summit, which had taken on board their essential matters of concern.

The British Prime Minister expressed his relief that with the Convention, the EU had finally decided to provide a framework, which would allow an open and fundamental debate on the future of Europe, involving the EU institutions, as well as the national governments and their citizens. During a press conference at Laeken, Blair pointed out that he believed that the argument on the future of Europe was moving in the direction Britain had wanted it to go:

‘There is going to be a real debate now over the next couple of years in the European Union about the future, but I am increasingly confident that those who believe, as we do, that Europe should co-operate more closely together, that is in the interests of our citizens, but it should do so on the basis of nations coming together’,<sup>331</sup>

In his official statement on the Laeken summit to the House of Commons, Blair emphasised that the UK would be ready to agree to further co-operation on important issues, such as asylum and immigration, which would have to be tackled on the European level. On the other hand, he welcomed the fact that the Laeken declaration had made clear that the fundamental powers of decision-making would rest with the member states and that some powers could even be returned to the national level:

‘The British view, widely shared, is that while it is right to co-operate ever more closely with our partners, democratic accountability is fundamentally and ultimately rooted in the Member State (...) The Laeken Declaration, and the

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<sup>331</sup> Edited transcript of a Press Conference given by the Prime Minister, Tony Blair, and the foreign secretary, Jack Straw in Laeken, 15 December 2001, [www.fco.gov.uk/news/newstext.asp?5693](http://www.fco.gov.uk/news/newstext.asp?5693).

Convention, give us the opportunity to take a serious look at the division of competences between the Union and the Member States. For the first time in the Union's history we shall be looking at the prospect of restoring some tasks to the Member States. We now also have the chance to open up the European institutions to greater public scrutiny'<sup>332</sup>

On the part of the German government, Chancellor Schröder once again set out the German priorities, which would now be discussed in the Convention on the Future of Europe. He underlined that the Convention would have to focus its reform proposals on greater institutional efficiency for the EU, including the return of powers to the member state level, which would then have to be included in a legal constitution:

'What the member states can manage in a better, more proper and more popular way, has to be dealt with in their area of responsibility. We therefore have to re-balance the relationship of the institutions. Here I would like to see a Commission, which represents a strong executive and a European parliament, which is strengthened in terms of its rights, including budgetary questions. The national parliaments have to get an outstanding place in the framework of the European institutions, like for example in terms of the scrutiny of the European security and defence policy. Finally, the Council, where it acts as a legislative, should turn into a second chamber.'<sup>333</sup>

In contrast to the portrayal of the alleged fundamental differences on institutional reform between Britain and Germany, especially in the British media, the reality after Laeken paints a different picture. Whereas the UK and Germany had traditionally been far apart on the concept of how Europe should be designed institutionally, after the post-Nice discussion process has brought the countries much closer together than ever before.

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<sup>332</sup> 'Laeken – Prime Minister's statement to Parliament', 17 December 2001, [www.number-10.gov.uk/print/page4123.asp](http://www.number-10.gov.uk/print/page4123.asp).

<sup>333</sup> *Regierungserklärung von Bundeskanzler Schröder zum Europäischen Rat in Laeken*, 12 December 2001, <http://www.bundesregierung.de/index-413.65072/Regierungserklaerung-von-Bunde.htm>.

Although the German government continues to support an institutional design for the EU which follows the federal tradition of the German state, it does not see its concept as the universal remedy for the Community's current institutional deficits. On the contrary, the German government accepts that its federal approach will almost inevitably meet the opposition of other member states, who come from a more centralist domestic perspective. As long as effective mechanism of co-operation on important issues such as defence and security, crime and immigration, the environment and economic reform can be found, the German side remains principally open to accept compromises on institutional reform.

It was consequently crucial for British-German co-operation on institutional reform that Foreign Minister Fischer clarified this stance in the official Bundestag debate in on the Laeken summit:

'My problem is rather, that I do not believe in the transfer of our federal concept(...) We are basically dealing with four principles, first with the integration principle – we want this Europe and European integration – and secondly furthermore with the national principle; we are therefore dealing with a parallelism of the two substantial principles. In addition to that, there are precise principles of procedure of a very high rank – functionality, it has to function – and at the same time the democracy principle. Besides, we need an ability to compromise with regard to the different interests (...) You will have the German federal orientation in mind, the accuracy of which I am profoundly convinced; I cannot imagine a different structure for the Federal Republic. On the other hand, we are dealing with powerful central states, which, because of their size and their evolved tradition, have no federal principle (...) If we want to be successful though – I want success and we need success – then we have to add the differences in tradition from the outset',<sup>334</sup>

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<sup>334</sup> *Rede des Bundesministers des Auswärtigen, Joschka Fischer, zur Tagung des Europäischen Rates in Laeken/Brüssel, 12 December 2001, <http://www.bundesregierung.de/dokumente/-65405/Bulletin.htm>.*

After Nice and Laeken, the British and the German government hence find themselves on a common reform platform, which aims at a profound clarification of the division of competences within the EU framework, based on greater subsidiarity and an enhanced influence of national parliaments in the decision-making process. It became obvious that both countries continue to see the European Council as the crucial decision-maker within the EU when the German Chancellor and the British Prime Minister published a joint letter on Council Reform in February 2002, a few days before the Convention on the Future of Europe was initiated. In the letter to the Spanish Prime Minister Aznar, whose country held the Council presidency at the time, Blair and Schröder stressed the importance of an effective Council for the future of an enlarged EU:

‘The European Council plays a key role in providing the EU with strategic direction and a clear sense of purpose, such as driving forward the Lisbon and Tampere agendas (...) We therefore need to ensure that we maximise the efficient use of European Council time, keeping our agenda focussed on key priorities’<sup>335</sup>

The two leaders made a number of proposals for the reform of the Council, including internal reform (smaller agendas, limited number of submissions to the Council, focus on an annual agenda, strengthening of the Council Secretariat and reduction of sub-councils), and greater transparency through public Council meetings (except for CFSP matters). Regarding the British position, it was remarkable that a general call for decision-making by QMV in the Council was proposed in the Blair-Schröder letter. The British willingness to accept that the use of QMV might be advantageous on a number of issues had brought its position very close to that of the German government, which supports decision-making by QMV in most areas in the Council. The letter therefore stated that ‘unanimity should only be applied in areas where this is provided for in the Treaties’ and that ‘decisions referred to the European Council under Treaty bases subject to QMV should be decided by QMV’<sup>336</sup>.

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<sup>335</sup> ‘Reform of the European Council’, Joint letter by Prime Minister Tony Blair and German Chancellor Schröder to Prime Minister Aznar of Spain, 25 February 2002, [www.number-10.gov.uk/news.asp?newsID=3671](http://www.number-10.gov.uk/news.asp?newsID=3671).

<sup>336</sup> Ibid.

On the reform of the most important institution within the framework of the EU, the two countries are hence closer than they had ever been before. It can be expected that Britain and Germany will strongly support reform of the Council towards greater efficiency, and also greater use of QMV on a number of issues at the 2004 IGC.

The British government has become very active in the post-Laeken reform debate and has put forward a number of constructive reform proposals to the Convention on the Future of Europe, which started working on March 1<sup>st</sup> 2002. Foreign secretary Jack Straw and Europe minister Peter Hain who had both been newly appointed after Labour's re-election in June 2001, have taken an active role in the debate on the future of the EU.

Peter Hain, who is still the government's official representative in the Convention, but was moved to cabinet rank as Secretary for Wales in a cabinet reshuffle in November 2002, has become the British government's most active advocate for British engagement in the EU<sup>337</sup>.

Since his appointment, Hain has made a number of significant speeches on Britain's role in Europe, which stress that the British government wants to be an active partner in the EU in order to avoid the mistakes of the past, in which the future of the Community was decided without British influence:

'What I want, what this Government wants, and what the people of this country want is something else. A strong Britain, in control of its own destiny, advancing its own interests, working with our neighbours to make all of us safer, richer, and stronger. A Britain that is a European power – a power for good.'<sup>338</sup>

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<sup>337</sup> He was replaced as Minister for Europe by Foreign Office minister Denis MacShane.

<sup>338</sup> 'What if we were out of Europe', Speech by Peter Hain at Chatham House, London, 7 May 2002, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1020786226372>.

In his speech on the occasion of the publication of the Centre for European Reform publication 'Germany and Britain, an alliance of necessity'<sup>339</sup>, Hain stressed the importance of British-German relations in an enlarging EU. He emphasised that both countries were trying to bring the EU closer to the people of Europe by trying to make it more transparent and less complicated in the way it functions:

'Above all, I believe that the UK and Germany can form a 'strong partnership' in Europe which will lead the way to the EU delivering real benefits to real people, in a clear and easy to digest fashion (...). The British-German alliance is much more than an alliance of necessity. It is a partnership of choice and we are both stronger for it.'<sup>340</sup>

The year 2002 has seen another remarkable step in the British government's approach towards EU reform. Whereas before, even the New Labour government had been rather reluctant to discuss the idea of a constitution for the EU and shown the traditional British reservation towards written legal constitutions. However, after Laeken a sea change in the government's position has occurred. In a speech by foreign secretary Jack Straw in The Hague in February 2002, the British government mentioned the notion of a written 'statement of principles' for the first time as an effective way of defining the division of competences within the institutional framework of the EU. Straw stressed that such a written document would not necessarily implicate that the EU would have state character, an accusation put forward by many Eurosceptics. On the contrary, it would help to make the EU better understood by its citizens and would lead to a clear definition of the subsidiarity principle:

'The current lack of clarity here creates the impression that power is draining away from national governments to the centre, in Brussels (...). There is a case for a simpler statement of principles, which sets out in plain language what the EU is for

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<sup>339</sup> Grabbe and Münchau, 2002.

<sup>340</sup> 'The UK and Germany: A strong partnership in Europe', Speech by the Minister for Europe, Peter Hain, to launch the joint publication of the Centre for European Reform and Friedrich Ebert Stiftung pamphlet 'Germany & Britain, an alliance of necessity', London, 13 February 2002, [www.fco.gov.uk/news/spechttext.asp?5908](http://www.fco.gov.uk/news/spechttext.asp?5908).

and how it can add value, and establishes clear lines between what the EU does and where the member states responsibilities should lie (...). But call it a constitution, and suddenly for some it doesn't look like such a good idea (...). But just because an entity has a constitution doesn't make it a state. Many organisations, including the Labour Party, have constitutions. It's the substance that matters, not the name.'<sup>341</sup>

The government's position on the matter has since been clarified further when, to the surprise of the rest of the EU, the British government actually submitted a draft constitutional treaty to the Convention on the Future of Europe on 15 October 2002<sup>342</sup>. Britain has hence even gone a step further than Germany, which currently has not yet submitted an official complete draft for an EU constitution to the Convention. A few days earlier foreign secretary Jack Straw had laid out his ideas on a Constitution for Europe in an article for *The Economist*. In the article, Straw justified the British change of mind on the constitutional issue with the necessity to clarify the complicated treaty structure of the EU in a single written document.

Straw underlined that the British government considered the EU to be 'a union of sovereign states, who have decided to pool some of that sovereignty, better to secure peace and prosperity in Europe and the wider world.'<sup>343</sup> Although this was another strong focus on the intergovernmental fundament of the Community, the UK position outlined in Straw's article shows that the government was willing to strengthen all institutional levels. In the process of redefining the powers within the EU, each of the three major institutions (Council, Commission and the European Parliament) would have to be strengthened, which is strongly supported by the German government.

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<sup>341</sup> 'Reforming Europe: new era, new questions', Speech by Foreign secretary Jack Straw in The Hague, 21 February 2002,  
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1030405878065>.

<sup>342</sup> Draft Constitutional Treaty of the European Union and related documents, submitted by Mr Peter Hain, Member of the Convention, Brussels, 15 October 2002,  
<http://register.consilium.eu.int/pdf/en/02/cv00/00345-r1en2.pdf>.

<sup>343</sup> 'Jack Straw: A constitution for Europe', *The Economist*, 10 October 2002.

A new proposal on the British part is that of the replacement of the current system of rotating six-month Council presidencies by a permanent Council president, who would be elected by the heads of government. This would strengthen the Council's position in its task to 'set the strategic agenda for the Union'<sup>344</sup>.

Straw also proposed to give national parliaments greater powers of scrutiny with regard to the proper use of the subsidiarity principle within the Community. This would mean that a majority of national parliaments would be able to force the Commission to 're-examine its approach' if it was considered that EU regulations would exercise too much power over independent national policies. In order to achieve this, the Commission would have to be strengthened in its role as the representative of the Community interest, but at the same time would have to be under stricter control by the European Parliament<sup>345</sup>. The British government however remains firmly opposed to the German proposal of a directly elected Commission president, however, as Straw indicated in a government report submitted to the House of Commons:

'The Commission's independence is what enables it to be the real guardian of the Treaties and guarantor of the rights of all. We therefore do not believe it would be sensible to politicise the Commission through the election of its President'<sup>346</sup>

The draft constitution submitted to the Convention by the British government reconfirms the British view of the Union as an organisation which stands and falls with the consent of the member states:

'The Union has only those powers which have been conferred on it by the Member States. All powers which the Member States enjoy by virtue of their sovereignty, and which they have not conferred on the Union, remain theirs exclusively.

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<sup>344</sup> Ibid.

<sup>345</sup> Ibid.

<sup>346</sup> 'Democracy and Accountability in the EU and the role of national parliaments: Government Observations on the Committee's Thirty-third Report of Session 2001-02', House of Commons, European Scrutiny Committee, 30 October 2002, [www.publications.parliament.uk/pa/cm200102/cmselect/cmeuleg/1256/1256.pdf](http://www.publications.parliament.uk/pa/cm200102/cmselect/cmeuleg/1256/1256.pdf).

(...)

The European Union is thus a constitutional order of a new kind, uniting the peoples of the Member States, while preserving the diversity of political institutions and of cultural and linguistic traditions that enriches European civilisation.<sup>347</sup>

The British draft constitution for the EU would rename the EU into ‘the Union’, which would represent a ‘constitutional order of sovereign States’, in which ‘the Member States have not divested themselves of their sovereignty in whole or in part’<sup>348</sup>. Therefore, national sovereignty remains in the hand of the member states, which decide to pool it in certain areas of common interest. In terms of the Charter of Human Rights, it should not be included in the treaty structure of the Union, but simply be respected in the policies of the Community. As part of the discussion on a Constitution for the EU, the government has repeatedly made clear that it could not agree to a legally binding inclusion of the Charter into a Constitution. Peter Hain told the European Scrutiny Committee on the July 16<sup>th</sup> 2002 that the government had fundamental legal reservations concerning the full incorporation of the Charter:

‘I think the problem with the incorporation of the Charter of Fundamental Rights as it is presently constituted, just wholesale into the Treaty, is that it could – in fact would in our view – start to influence domestic law in a way that was never intended (...) We do not mind incorporation in some form with those necessary safeguards built in, but not wholesale incorporation, which is just not acceptable’<sup>349</sup>

The Prime Minister emphasised this stance again in his latest speech on European reform in Cardiff, where he refused any notion of the Charter being part of a constitutional treaty for the EU, as this would endanger national legislation:

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<sup>347</sup> Draft Constitutional Treaty of the European Union and related documents, submitted by Mr Peter Hain, Member of the Convention, Brussels, 15 October 2002, proclamation, article 4 and 5, <http://register.consilium.eu.int/pdf/en/02/cv00/00345-r1en2.pdf>.

<sup>348</sup> Ibid, page 12, article 1 and commentary.

<sup>349</sup> Select Committee on European Scrutiny, Minutes of Evidence, Examination of Witnesses Rt Hon Peter Hain MP and Mr Nick Baird, 16 July, 2002, question 53, <http://www.publications.parliament.uk/pa/cm200102/cmselect/cmeuleg/1112/2071601.htm>.

‘On the Charter of Rights, I repeat our clear view that though we welcome, of course a declaration of basic rights common to all European citizens and have ourselves incorporated the European Convention on Human Rights directly into British law, we cannot support a form of treaty incorporation that would enlarge EU competence over national legislation. There cannot be new legal rights given by such a means, especially in areas such as industrial law, where we have long and difficult memories of the battles fought to get British law in proper order.’<sup>350</sup>

As part of the British draft for an EU constitution, the fundamental rights which have been set out in the Charter should hence be respected, but not fully incorporated into the Constitution. Article 2 of the draft constitutional treaty submitted by the British government states that

‘The Union shall respect fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms signed in Rome on 4 November 1950, as identified in the Charter of Fundamental Rights of the European Union, and as they result from the constitutional traditions common to the Member States, as general principles of Union law.’<sup>351</sup>

Peter Hain further clarified the British stance on the issue in a recent examination in the European scrutiny committee. When questioned if the British government would agree to the incorporation of the Charter into the Treaty if safeguards against the infringement of national legislation would be included, Hain explained that the government would still prefer it as an attached protocol to the Treaty rather than as an integral part:

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<sup>350</sup> ‘A clear course for Europe’, Speech by the Prime Minister to an audience in Cardiff, 28 November 2002, [www.number-10.gov.uk/print/page6710.asp](http://www.number-10.gov.uk/print/page6710.asp).

<sup>351</sup> Draft Constitutional Treaty of the European Union and related documents, submitted by Mr Peter Hain, Member of the Convention, Brussels, 15 October 2002, proclamation, article 2, paragraph 2, <http://register.consilium.eu.int/pdf/en/02/cv00/00345-r1en2.pdf>.

‘(...) if it were to be incorporated and if all that necessary protection were built in and, in effect, a fire-break created through these horizontal articles, stopping the impact of the Charter coming down and changing our domestic law (...) then the issue arises should it just be incorporated wholesale into the Treaty with those necessary horizontal clauses, or should there be an article in the new Treaty that cross-references to a protocol (...) We favour the latter’<sup>352</sup>

On this issue, the British government remains fundamentally at odds with the German government and the majority of the political elite in Germany. The German government representative in the Convention, Gunter Pleuger, set out the incorporation of the Charter into an EU Constitution as part of official German policy:

‘The European Charter of Basic Rights should, apart from indispensable technical adaptations, be incorporated as a catalogue of values into the Constitution in its original form. This should be listed as a separate chapter at the beginning of the constitutional chapter.’<sup>353</sup>

In the SPD – Bündnis90/Grüne coalition agreement for the second term, both parties stressed that they strongly supported the legally binding incorporation of the Charter of Fundamental Rights into a European constitution:

‘The Charter of Basic Rights shall become legally binding and an enforceable part of the Constitution’<sup>354</sup>

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<sup>352</sup> Uncorrected evidence presented by Rt Hon Peter Hain, Government Representative on the Convention on the Future of Europe, Mr Nick Baird, Head of European Union department (internal), Ms Sarah Lyons, Private Secretary to the Government Representative on the Convention on the Future of Europe, European Scrutiny Committee, House of Commons, 20 November 2002. <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmeuleg/uc103/uc10301.htm>

<sup>353</sup> *Europäischer Konvent, Arbeitsgruppe III, Stellungnahme des deutschen Vertreters in der Arbeitsgruppe III, Dr Gunter Pleuger*, <http://european-convention.eu.int/bienvenue.asp?lang=EN>.

<sup>354</sup> *‘Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie’*, Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, <http://www.bundesregierung.de/Regierung/-,431/Koalitionsvertrag-I.-Praeambel.htm>.

Although there are a number of disagreements on the reform of the EU institutions and procedures amongst the political parties in Germany, a broad consensus exists on the need to integrate the Charter into the EU's *acquis communautaire* in a legally binding form.

This was already expressed in 2000, when all the parties represented in the *Bundestag* gave their opinion on the draft for a Charter of Fundamental Rights, which had been worked out by a Commission under the leadership of former German president Roman Herzog. In the final report of the *Bundestag* committee on EU matters, all parties agreed on the need to include a Charter of Fundamental Rights, which would determine the Community's values into the EU's treaty structure, respectively into an EU constitution<sup>355</sup>. Both the two main opposition sister parties, the CDU and the Bavarian CSU strongly support the incorporation of the Charter of Fundamental Rights into a European Constitution. In a joint paper for a European Constitution, published in November 2001, both CDU and CSU made clear that they supported the incorporation of the Charter of Fundamental Rights into EU law as part of a constitution:

'All the essential regulations, especially those concerning the distribution of competences between the European Union and the member states, the budgetary arrangements, the institutions of the European Union and their procedures, shall be combined in a constitutional treaty (Basic Treaty). The fundament, the goals and the values of the European unification project shall be phrased in a preamble.'<sup>356</sup>

However, especially the Bavarian CSU under the leadership of the defeated candidate for the Chancellery, Bavarian Prime Minister Edmund Stoiber, does reject the notion that the Charter could be the basis for a European constitution.

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<sup>355</sup> *Beschlussempfehlung und Bericht des Ausschusses für die Angelegenheiten der Europäischen des deutschen Bundestages, Drucksache 14/4584, 10 November 2000, <http://dip.bundestag.de/btd/14/045/1404584.pdf>.*

<sup>356</sup> *Vorschläge von CDU und CSU für einen Verfassungsvertrag vorgelegt von der CDU/CSU Arbeitsgruppe 'Europäischer Verfassungsvertrag' unter der Leitung von Dr. Wolfgang Schäuble, MdB, Bundesminister a.D. und Reinhold Bocklet, Bayerischer Staatsminister für Bundes- und Europaangelegenheiten, Berlin, 21 November 2001, <http://www.cdu.de/presse/archiv-2002/europa-verfassungsvertrag.pdf>.*

In a recent press release, the CSU pointed out that an EU constitution would have to be developed independently from the Charter. Only when such a constitution would have been set up, should those parts of the Charter, which are related to EU competences, be incorporated. The Charter should therefore not infringe on the national constitutions of the member states. The CSU stresses that an overload of the Charter with visionary political goals would have to be avoided at all costs, a position which is very close to that of the British government:

‘An overload of the Charter with pure political goals is especially problematic. They arouse false expectations among the citizens and contribute to an expansion of EU tasks by stealth. Besides, the constitutional arrangements of the member states have to remain unaffected by the Charter. The Charter of Fundamental Rights can only become part of the treaty, when its weaknesses have been removed and, at the same time, the competences between the EU and the member states are redefined in the treaty.’<sup>357</sup>

A certain reluctance towards the incorporation of a Charter full of visionary political goals can therefore be found among the conservative opposition in Germany. With regard to many aspects of the constitutional settlement, Britain and Germany would therefore have been much closer in their approach, if Edmund Stoiber had been elected as Chancellor in the September 2002 election. Stoiber’s party, the CSU, shares the British focus on a strong intergovernmentalist basis for the EU more than any other party in Germany. In its latest proposals for necessary reform of the EU prior to enlargement, the CSU once again stresses the intergovernmental character of the EU:

‘The CSU underlines: the EU will have to continue to build on the nation states in the future and must not become a European federal state. The responsibility for the distribution of competences has to rest with the nation states. All constitutional regulations on the basis of the European Union, especially concerning the content and the performance of EU competences will have to continue to be ratified by the

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<sup>357</sup> CSU press notice, ‘EU-GrundrechtsCharter, Positionen der CSU’, [www.csu.de/DieThemen/Positionen\\_A-Z/Europa/Eu-GrundrechtsCharter.htm](http://www.csu.de/DieThemen/Positionen_A-Z/Europa/Eu-GrundrechtsCharter.htm),

national parliaments in the future. Only in this way is the EU legitimised by the peoples of the member states.’<sup>358</sup>

Ingo Friedrich, MEP for the CSU and vice president of the European Parliament, expressed his party’s caution towards a possible federalisation of the EU. When I interviewed him in his constituency in Gunzenhausen, Germany, Friedrich pointed out that, in his opinion, a basic treaty, which settles the division of competences within the EU should not be called ‘constitution’, but ‘constitutional treaty’, because the latter would not imply any state character for the EU<sup>359</sup>. The CSU thus initially showed a similar reservation towards a constitutional settlement for the EU like the many British elites, and shares the rejection of any integrative steps which would lead towards giving the EU state character.

The red-green coalition is much less cautious in this respect, as has been shown by the federal approach of Joschka Fischer and the strong emphasis on the inclusion of the Charter in a constitution as part of a basic fundament of values for Europe.

The latest basic manifesto of the Green party (*Bündnis 90/Grüne*) makes clear, that they see a European constitution as part of a guarantee of basic rights for all EU citizens:

‘That constitution must guarantee fundamental and civil rights to all Europeans, and safeguard those rights through a European jurisdiction.’<sup>360</sup>

In a speech to the France centre in Freiburg during the German election campaign in April 2002, Chancellor Schröder reconfirmed his government’s commitment to the Charter of Fundamental Rights as part of a European constitution, as the Charter would provide the section on basic rights, which is essential in any constitution:

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<sup>358</sup> ‘Reformen für eine erweiterte Europäische Union’, *Beschluss des Parteitags der CSU*, 22/23 November 2002, [http://www.csu.de/home/Display/Politik/Themen/Europa/Leitantrag\\_EU](http://www.csu.de/home/Display/Politik/Themen/Europa/Leitantrag_EU).

<sup>359</sup> Interview with Dr Ingo Friedrich, Gunzenhausen, Germany, 31 March 2001.

<sup>360</sup> ‘The future is green –Alliance 90/The Greens Party Program and Principles (English version)’, 2002, p. 121, <http://archiv.gruene-partei.de/dokumente/grundsatzprogramm-english.pdf>.

‘This European Charter includes everything, which is necessary for the section on basic rights within a constitution. It really includes precisely formulated basic rights for European citizens.

The task is therefore, to take what is in there and to make it binding for all. Then you would have the section on basic rights of a European Constitution’<sup>361</sup>

Because the Charter of Fundamental Rights as an integral and binding part of an EU institution is so essential from the point of view of the German government, there are great expectations on their part that the British government might in the end change its mind on the issue, similar to the change that occurred with regard to a constitution. The SPD delegate for the German *Bundestag* in the Convention on the Future of Europe, Professor Jürgen Meyer, who already had submitted a draft for a European Constitution to the EU in 2000<sup>362</sup>, emphasised in the interview I conducted with him in November 2000 in Nuremberg, that he hoped that Britain would give up its reservations towards a European constitution in the long run. Meyer underlined that ‘this Charter of Fundamental Rights describes the European order of values, which should not only be a simple promise, but a binding catalogue of norms’<sup>363</sup>. He only recently made concrete proposals in the Convention on how the legal enforceability could be ensured as part of a Convention, by e.g. including an article which states that every EU citizen would have ‘the right to bring a claim due to a breach of the rights and freedoms recognised in this Charter’<sup>364</sup>.

The present debate about the shape of a constitution for the EU in Britain and Germany once again reflects the different domestic constitutional traditions in both countries.

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<sup>361</sup> *Rede von Bundeskanzler Gerhard Schröder vor dem Frankreich-Zentrum der Albert-Ludwigs-Universität Freiburg*, 12 April 2002, <http://www.bundeskanzler.de/Reden-.7715.65027/Rede-von-Bundeskanzler-Gerhard-Schroeder-zum-The...htm>.

<sup>362</sup> See *Entwurf der GrundrechtsCharter der Europäischen Union*, submitted by Professor Jürgen Meyer MdB, 6 January 2000, <http://www.bundestag.de/ftp/pdf/anlage6.pdf>.

<sup>363</sup> Interview with Professor Jürgen Meyer, MdB, SPD *Bundesparteitag*, Nuremberg, 20 November 2001.

<sup>364</sup> Contribution by Mr Jürgen Meyer, member of the Convention: ‘Enforceability of the Charter of Fundamental Rights and improvement of the individual’s right to legal redress’, Brussels, 29 November 2002, <http://register.consilium.eu.int/pdf/en/02/cv00/00439en2.pdf>.

Whereas the present German elites have been politically socialised in a constitutional setting, in which the basic values and rules of the state and political system are determined in detail, the British are used to a system based on tradition and conventions, in which few written rules exist.

In contrast to their German counterparts, British elites consequently find it difficult to accept aspects of continental constitutional traditions in the EU, such as a written set of basic rights and values. This inevitably has to lead to different priorities in the approach to a European constitution, even under a British government, which has shed the traditional British reservation towards a written constitution:

‘The gradual, unbroken development of British institutions (...) is what decisively sets the UK apart from its European neighbours; the legacy is a unique, democratically updated system of seventeenth-century government (...) This has important implications for the norms which guide the operation of UK institutions (...). The UK’s institutional configuration and norms of political interaction are miles removed from those of the EU: institutional centralisation versus institutional pluralism; politics by convention versus legal formalism; adversity versus consensus’,<sup>365</sup>

The British side hence tries to avoid overloading the *acquis communautaire* of a reformed EU with too many Community rules and tasks, but prefers a slimmed down version of the existing treaty structure, which focuses on efficient ways to enable co-operation between the member states in crucial areas. The draft constitutional treaty worked out by the British government clearly shows this. It determines the principles of ‘conferred powers’, ‘subsidiarity’, ‘proportionality’ and ‘loyal co-operation’<sup>366</sup> as the basis for the way the Union operates.

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<sup>365</sup> Bulmer and Jeffery, 2000, pp. 134-135.

<sup>366</sup> Draft Constitutional Treaty of the European Union and related documents, submitted by Mr Peter Hain, Member of the Convention, Brussels, 15 October 2002, page 22, article 7. <http://register.consilium.eu.int/pdf/en/02/cv00/00345-r1en2.pdf>.

It also sets out economic and social progress, the fight against discrimination, environmental protection, protection of its citizens, creation of an area of freedom and the external representation of the Community on the global stage as part of a CFSP<sup>367</sup>.

The Union level should have exclusive competences in the areas of commercial policy, fisheries and monetary policy within the eurozone and coordinating competences in a number of other areas, including economic and employment policy, where it would not legislate, but only help to coordinate national policies between the member states. In most of the other areas, member states and the Union would share competences.<sup>368</sup>

In terms of the distribution of powers between the institutions, the British draft constitutional treaty clearly designates the Council as the general pacesetter of progress in the Union, under whose agenda all the other institutions would have to subordinate themselves:

‘Under the guidance of its President, the European Council shall provide the Union with the necessary impetus for its development and shall define the general political guidelines of the Union. It shall establish a programme of policy objectives to be achieved by the Union. The programme shall be implemented by the other institutions of the Union in accordance with their respective powers.’<sup>369</sup>

The European Parliament’s rights of participation in the legislative process of the Union would be strengthened under the British draft treaty, as the EP would act as co-legislator to the Council in the area of economic and social policy. Above that, the EP would act as the main supervisor of the Commission, through its rights of being able to pass a motion of censure against the Commission, as well as regular examinations of individual Commissioners and the participation in the appointment of the Commission president.<sup>370</sup>

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<sup>367</sup> *Ibid*, article 4, p.16.

<sup>368</sup> *Ibid*, pp. 27-28 and p. 30, article 11.

<sup>369</sup> *Ibid*, p. 36, article 16.

<sup>370</sup> *Ibid*, p.37, article 17.

In terms of the Commission itself, the British government would prefer to leave things basically unchanged, with the Commission being strengthened in its present role as the guardian of the *acquis communautaire* of the Union. Any further powers for the Commission are not foreseen in the British draft constitution<sup>371</sup>. The definition of the role of the Commission in a reformed institutional framework of the EU is therefore the main disagreement in the present debate on institutional reform. As a result, the British and the German government basically pursue two different structural models for the EU. Both sides agree that the EU does not have state character and can therefore not be reformed along the lines of any national political system. They also strongly support the reform of the Council in order to make sure that it continues to secure a strong intergovernmental basis for the EU, through which member states governments maintain their influence on the key decisions in the Community. Both countries' support for an enhanced influence of national parliaments over the decision-making process of the EU stresses the mutual British-German focus on the importance of the national level of decision-making within the EU. The difference in the two countries' models for the future of the EU lies in the question how to reform it institutionally in order to reconnect the EU with its citizens, an issue which lies at the heart of both British and German support for fundamental reform.

The German side in this respect favours the model in which the Commission president should be elected by the European Parliament, the only institution whose members have been directly elected by the people of Europe. This position has now officially been adopted as the German government's position in the reform debate. In his first official statement to the *Bundestag* after his re-election as Chancellor, Gerhard Schröder confirmed that his government wanted to see the election of the Commission president by the EP included in the Constitution:

'It has to include the creation of a strong and also politically responsible Commission, whose president is to be elected by a strengthened European Parliament'<sup>372</sup>

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<sup>371</sup> Ibid, pp. 39-40, article 19 and commentary.

<sup>372</sup> *Regierungserklärung von Bundeskanzler Gerhard Schröder vor dem Deutschen Bundestag*, 29 Oktober 2002, Berlin, <http://www.bundestkanzler.de/Regierungserklaerung-8561.446416/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.

The government's position on this issue is also strongly supported by the CDU/CSU opposition, which stressed in its November 2001 joint proposals for a constitutional treaty that it wanted to see the Commission be developed into a strong European executive:

'The politically responsible executive is the Commission. The Commission president is directly elected by the Parliament with the consent of the Council. The Commission he puts together, needs the consent of the Parliament and the Council',<sup>373</sup>

The British government is completely opposed to this model, as it fears that this would fundamentally endanger the role of Commission as the independent guardian of the treaties, which is controlled in equal terms by the Council and the European Parliament.

The British Prime Minister emphasised this point in his latest speech on European reform in Cardiff, when he warned that the election of the Commission president by the EP would turn into a partisan election campaign, which would endanger the political independence of the president's post:

'We must avoid at all costs turning the election of its President into a partisan wrangle, or allowing the Commission to become a prisoner of the Parliamentary majority. We cannot simply see the Commission as an executive accountable to the Parliament. The Commission also has a crucial partnership with the Council which we must not weaken, and a vital independence which we must protect.'<sup>374</sup>

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<sup>373</sup> *Vorschläge von CDU und CSU für einen Verfassungsvertrag vorgelegt von der CDU/CSU Arbeitsgruppe 'Europäischer Verfassungsvertrag' unter der Leitung von Dr. Wolfgang Schäuble, MdB, Bundesminister a.D. und Reinhold Bocklet, Bayerischer Staatsminister für Bundes- und Europaangelegenheiten*, Berlin, 21 November 2001, p. 11, <http://www.cdu.de/presse/archiv-2002/europa-verfassungsvertrag.pdf>.

<sup>374</sup> 'A clear course for Europe', Speech by the Prime Minister to an audience in Cardiff, 28 November 2002, [www.number-10.gov.uk/print/page6710.asp](http://www.number-10.gov.uk/print/page6710.asp).

The concern of a partisan campaign is not shared in Germany, where election of the federal president (*Bundespräsident*) is usually a very partisan affair, in which each of the main political parties put forwards candidates for the *Bundesversammlung*, an assembly to which all parties send a certain number of delegates for the purpose of the president's election<sup>375</sup>.

In Britain, the election of the Commission president through the European Parliament is even opposed by fundamentally pro-European politicians amongst the opposition, like Nick Clegg, MEP and Trade and Industry spokesman for Liberal Democrats in the European Parliament. In a telephone conversation I had with Mr Clegg in March 2002, he told me that he was personally not in favour of the idea, as 'it would paralyse the deliberate political ambiguity of the European Commission, which is partly an executive administration and partly a political body'<sup>376</sup>.

The opposition towards the German model in the UK is thus unlikely to be overcome. Britain's model for the reconnection between the EU and its citizens is to create a permanent president of the European Council, who would be elected by the heads of the member state governments. As Peter Hain has made clear to the House of Commons European Scrutiny Committee, the British government sees this model as the only way to achieve greater accountability within the EU:

'The other model, which is one we favour, is that you have a much clearer chain of accountability, with the European Council reconfigured and reformed in such a way that you have an elected president of the European Council who is a full-time figure rather than rotating every six months, as is the present situation, who is elected by elected heads of government, those heads of government themselves elected and answerable to their national parliaments and thereby to voters. That is a chain of accountability much more readily understood by the average citizen. If you then introduce greater transparency into the Council's decisions then I think

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<sup>375</sup> German CSU MEP and vice-president of the European Parliament, Ingo Friedrich, told me that he favours a full-scale election campaign for the election of the Commission president during each election for the EP. Parties taking part in the European Parliament elections should therefore nominate candidates for the Commission president (possibly MEPs), whom they would later support if they gain the majority in the EP. (Interview with Dr Ingo Friedrich, Gunzenhausen, Germany, 31 March 2001).

<sup>376</sup> Telephone interview with Nick Clegg, Liberal Democrat MEP, 21 March 2002.

you get a much clearer picture for the average citizen and a better connection to what is going on in Europe'<sup>377</sup>

The British side will therefore remain focused on strengthening the Council as the main institution of legitimacy in the EU, and will oppose any moves towards fundamentally changing the present division of power within the Community framework<sup>378</sup>. The other disagreement between Britain and Germany in this respect is the extent to which the use of Qualified Majority Voting (QMV) should be extended.

Although both countries are generally in favour of the greater use of QMV in the Council, Britain still wants to retain some crucial 'red line' areas<sup>379</sup> for member states, where unanimity should prevail. Germany has moved to a position where it now wants a general move towards QMV in the Council, which would include the general use of QMV in the Common Foreign and Security Pillar<sup>380</sup>. For the British government this is unacceptable. Although it now favours the extension of QMV to asylum and immigration as part of the move towards a common European asylum and immigration policy<sup>381</sup>, a general reluctance to transfer all major policy areas to decision-making by QMV is rejected.

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<sup>377</sup> Uncorrected evidence presented by Rt Hon Peter Hain, Government Representative on the Convention on the Future of Europe, Mr Nick Baird, Head of European Union department (internal), Ms Sarah Lyons, Private Secretary to the Government Representative on the Convention on the Future of Europe, European Scrutiny Committee, House of Commons, 20 November 2002, question 25, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmeuleg/uc103/uc10301.htm>

<sup>378</sup> In his Cardiff speech, the Prime Minister called for the preservation of the present institutional setting in its basic form: 'We should not sanction any dramatic departures from the Community model as we know it' ('A clear course for Europe', Speech by the Prime Minister to an audience in Cardiff, 28 November 2002, [www.number-10.gov.uk/print/page6710.asp](http://www.number-10.gov.uk/print/page6710.asp)).

<sup>379</sup> Tony Blair named taxes as the definite 'red line' for the British government in his Cardiff speech (('A clear course for Europe', Speech by the Prime Minister to an audience in Cardiff, 28 November 2002, [www.number-10.gov.uk/print/page6710.asp](http://www.number-10.gov.uk/print/page6710.asp)).

<sup>380</sup> See SPD-B90/Grüne coalition agreement 2002, p. 78: 'In the area of Common Foreign and Security Policy (CFSP), decision should in principle be reached by Qualified Majority Voting', *Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie*, Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002.

<sup>381</sup> See 'Jack Straw: A constitution for Europe', *The Economist*, 10 October 2002.

In an examination by the European Scrutiny Committee of the House of Commons in March 2002, Foreign secretary Jack Straw pointed out that the British government would see CFSP as a definite no-go area for QMV, but would, apart from that, remain basically open to any future moves towards QMV in other areas, if it was in the British national interest. This could include border controls, which, at least for now, the British government wants to retain under its own national control:

'If you are asking me am I going to say to you now that whatever the arguments put forward by the Convention, and whatever the change in circumstances, we regard the current position on QMV and unanimity as fixed in concrete, the answer is no because I do not believe that would be in the interests of the British people (...). What we have said and what I have said in my speech is that where key national interests apply that is the test. The most obvious one is defence and linked into that foreign policy. We do on many areas at the moment, and this was decided by the Conservative Government 30 years ago (not all of them) in respect of taxation, ditto social security. Do you close your ears and your eyes to future arguments? No.'<sup>382</sup>

Especially because of the generally open attitude of the British government towards future developments with regard to the deepening of integration, the scope for British-German co-operation on institutional reform is bigger than ever before. In spite of the differences in both countries' domestic constitutional tradition, British and German leaders share a fundamental concern about the lack of transparency and democratic legitimacy of the EU's institutional framework. The British-German commitment to reconnect the EU with its citizens is certainly based on two distinguished domestic state structures and political cultures. In the British case, a rather centralised state framework, based on the rule of law and an unbroken tradition of the gradual development of customs, checks and balances, rather than a single written constitution.

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<sup>382</sup> Select Committee on Foreign Affairs, Minutes of Evidence, Examination of Witnesses, The Rt Hon Jack Straw MP, Peter Ricketts CMG and Mr Kim Darroch CMG, 13 March 2002, questions 17 and 19, [www.publications.parliament.uk/pa/cm200102/cmselect/cmfaff/698/2031303.htm](http://www.publications.parliament.uk/pa/cm200102/cmselect/cmfaff/698/2031303.htm).

On the German side, a newly created federal state after the total collapse of previous state structures during WW2, characterised by a clear division of powers between the federal and the regional (*Länder*) level, in which the interaction between the different levels of the state are clearly determined in the written constitution, the *Grundgesetz*. In this system even the regional units, the *Länder* own state character, based on their own regional constitutions are represented in a second legislative chamber, the *Bundesrat*, which ensures that the regional level has sufficient influence on the passing of federal legislation. (Maunz and Zippelius, 1998, pp. 103-104 and p. 115).

It is therefore not surprising that two countries with such fundamentally contrasting state structures and political systems approach the fundamental questions of institutional and procedural reform of the EU from a different point of view. The British viewpoint tends to be fundamentally intergovernmentalist, anxious not to endanger the crucial position member state governments currently hold within the Community's decision-making process.

The New Labour government agrees in principle to the greater pooling of sovereignty in crucial areas and also wants to strengthen the institutional framework of the EU as a whole, in order to achieve greater efficiency in the way EU legislation and policies are decided and implemented. In the British context, even a surprisingly pro-integrationist government like the Blair administration however cannot be expected to completely abandon the British tradition of perceiving European integration as a process in which strong member states remain fundamentally in control of their sovereignty, and decide which national decision-making powers are being pooled on the European level.

As William E. Paterson points out, the context of the traditional British reluctance to transfer sovereignty to a supranational level and the lack of experience with regard to power-sharing within the British state itself, continue to prevail in the British perception of European integration. In the process of devolution in the UK, British elites are hence only gradually coming to a better understanding of the point of view of states like Germany, which are used to multi-level governance and federalist distribution of power between different levels of the state:

'British views of German European policy were formed within a state committed to ceding the minimum possible external sovereignty and where "the crown in Parliament", that singular combination of executive and legislative authority brooked no check on its unbridled supremacy. The electoral system produced single party governments who had no experience of the coalition governance which forms the background for much of the EU's negotiating and governance style.' (Paterson, 2002, p.30)

The same is true for the German side, where elites have been politically socialised in a state environment, where power-sharing between various levels is part of the daily agenda of decision-making. Based on the domestic experience, German elites therefore tend to favour federal structures, as they consider them to be an effective way to take into account the various interests which exist on the supranational, national and regional level.

In this respect, the differences in the German and the British approach towards institutional reform provide a sensible counterweight against the danger that the discussion on the future of Europe might tilt too much towards a fully intergovernmental or federal direction. While Britain acts as the guardian of the member state influence in the EU<sup>383</sup>, Germany dares to put forward a more visionary approach on how far the integration process could advance towards further supranationalisation<sup>384</sup>.

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<sup>383</sup> The British Prime Minister stresses that Britain is supported by the majority of member states in its opposition to the development of the EU into 'some federal superstate' ('A clear course for Europe', Speech by the Prime Minister to an audience in Cardiff, 28 November 2002, [www.number-10.gov.uk/print/page6710.asp](http://www.number-10.gov.uk/print/page6710.asp)).

<sup>384</sup> Chancellor Schröder makes clear that he thinks that some form of federal structure for the EU will be inevitable, although he stresses that this does not necessarily mean that the EU would gain a state structure along the lines of Germany: 'Europe will probably – in whatever form – be organised in a federal way. In this respect, one does not necessarily have to think of the German model. But that it will be some form of federal Europe, is obvious' (*Rede von Bundeskanzler Gerhard Schröder vor dem Frankreich-Zentrum der Albert-Ludwigs-Universität Freiburg*, 12 April 2002, <http://www.bundeskanzler.de/Reden-.7715.65027/Rede-von-Bundeskanzler-Gerhard-Schroeder-zum-The...htm>).

If both countries respect each other's state tradition and try to come to an understanding of each other's point of view without falling back on the old prejudices (the Germans accusing the British of being anti-European and the British accusing the Germans of wanting to force the whole of Europe into a superstate along the lines of the German model), the perspectives for British-German co-operation on institutional reform will be positive.

German elites do not want to turn the EU into a federal superstate. Their aim is to introduce federal elements to the Community structure, in order to achieve a more transparent and efficient distribution of powers between the Community, national and regional level, based on the German state tradition of strict subsidiarity between the higher and the lower levels (federal government, *Länder* and regions). The strong support for a written EU constitution, including a binding Charter of Fundamental Rights, stems from the positive experience Germany has with its written basic law, the *Grundgesetz*. Although it often slows down the decision-making processes and makes them more difficult than in more centralised states, it ensures that the interests and opinions of all the levels, which are affected by federal legislation, are taken into account before a final decision is reached.

The British, on the other hand, are not anti-integrationist but, based on their tradition of intergovernmentalist power-sharing, rightly analyse any proposals which will lead to the deepening of integration and the supranationalisation of decision-making with caution and emphasise possible shortcomings. Consequently, if these two countries were able to form a strong working relationship on institutional reform in the Convention on the Future of Europe, and attempted to come to a coordinated approach at the 2004 IGC, where the crucial decisions on institutional reform will be made, a far more effective institutional framework for the EU could be achieved. Even if British and German leaders would fail to do so, it is obvious that the two countries will find much agreement on the reform of the EU Council as the crucial decision-maker within the Community.

In contrast to the prevalent perception, the differences in British and German approaches on institutional and procedural reform are not fundamental enough to prevent the two countries from co-operating effectively towards trying to achieve a fundamentally reformed institutional framework for an EU of 25 member states or more. As both countries are the strongest advocates of the enlargement process among the larger member states, their interest in the reform of the Community structure is genuine and important for the final outcome of the debate on the future of Europe. This is recognised by both sides and will hopefully be the basis for a successful outcome of the pre-enlargement reform debate.

#### **4.2. Economic and Monetary Union**

Regarding possible enhanced co-operation between Britain and Germany in the EU, the Single European Currency is a crucial issue. The UK's decision not to join the group of 12 countries, which have abandoned their national currencies and introduced the euro as legal tender on January 1<sup>st</sup> 2002, certainly has wide implications in terms of the British influence within the EU. Although Britain has become an active and engaged EU member state under New Labour, the fact remains that the UK is yet still not part of a project, which apart from imminent enlargement towards Central and Eastern Europe, is the crucial integration project the EU has achieved during the last ten years. Because the British government has committed itself to holding a public referendum on membership of the eurozone, the persistent scepticism towards the euro in large sections of the British elites, the media and the public has made it more unlikely that Britain will be able to introduce the euro in the foreseeable future.

This poses a major dilemma for the British endeavour to take on a leadership role within the EU. Outside the eurozone, Britain will not be able to exercise the influence on crucial decisions for economic and fiscal policy-making that it would have had, if it had introduced the euro. As Heather Grabbe and Wolfgang Münchau point out in their assessment of present British-German relations in the EU,

‘The euro has begun to transform the dynamics of EU policy-making. It will create a hard core of member-states, whose economies are increasingly integrated and whose destinies are intertwined (...). If one member-state is not fully involved in all areas, it has fewer means of influencing other countries. It cannot be in the inner circle of policy-making’ (Grabbe and Münchau, 2002, p.39)

It would therefore be a self-deception on the part of the British leaders, if they would assume that they could play the decisive leadership role in the EU they apparently desire, without taking their country into the eurozone. The problematic aspect of the decision whether or not to join EMU in this respect is an obvious contradiction between the official government line, and the actual domestic debate about the issue in the UK. While the government argues that the decision will be made solely on the basis of strict economic convergence between the British economy and those of the eurozone, the public debate in Britain focuses far more on the political and constitutional implications of euro membership.

The Eurosceptic argument put forward by some of the British elite and media, especially the tabloid press, strongly emphasises the implications membership of the euro would have on British sovereignty. Conservative Eurosceptic MP and former leadership contender John Redwood is one of the strongest campaigners against Britain joining the single European currency. Like most Eurosceptics, Redwood stresses the constitutional and consequently political implications of British membership of EMU. When I asked him about his position on the Euro in a telephone interview in February 2001, Redwood confirmed his view that he could foresee no circumstances at all in which he could ever support British membership of the eurozone. The main reason he gave for this fundamental opposition towards the single currency were constitutional barriers. Redwood stressed that as an independent country, Britain would have to keep in control of its own currency<sup>385</sup>.

For him, like for most opponents of the euro in Britain, the political implications of the irreversible loss of national monetary sovereignty to the European level, are much more important than any economic arguments in favour of joining EMU.

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<sup>385</sup> Telephone interview with John Redwood MP, 7 February 2001.

The criticism of the euro project is hence mainly directed towards the alleged lack of democratic accountability of the European Central Bank:

‘A nation has its own bank account and its own currency. The country’s elected government decides on the movements into and out of the account. Foreign exchange reserves of the country are under the direction of the central bank, which is in turn under the direction of the central government and elected parliament (...). Based upon a misunderstanding of how the German system worked in the post-war period, the European Central Bank has sole charge over interest rates, the stock of money, and the general conduct of monetary policy. The body is directed by a group of board members of the Central Bank governing body who are appointed for long single terms, who are not answerable to any elected parliament, and who are effectively in place for the duration however they perform or behave.’

(Redwood, 2001, pp. 88-90)

One may wonder if this criticism of the ‘lack of accountability’ of the ECB is fair, regarding the fact that the Bank of England has also been made independent by the New Labour government in 1997, and has now sole control over British interest rates. For Eurosceptics, this objection is countered by the claim that within a nation state, even an independent national Central Bank will be called to account if it makes grave errors of judgement which seriously harm the national economy. This would not be the case on the EU level, where democratic accountability is much harder to achieve:

‘If the Bank of England made enough mistakes, bankrupted enough people, or drove inflation up too far, there would be a strong democratic pressure to change the system. Any sensible government would give in to such pressure.’ (Ibid, p. 92)

In contrast to the continental perception of monetary union as an economic project, which provides a monetary basis for the completion of a competitive single European market, British Eurosceptics therefore assess EMU in terms of the loss of national sovereignty. It is stressed that joining the single European currency means the loss of a member state’s control over its interest rates, which would in the long run lead to greater harmonisation in other areas, such as taxation.

The euro project is therefore portrayed as the first step towards ever deeper political union, in which member states would lose complete control over their national economies in the long run.

This is exactly the point the present Conservative Shadow Chancellor Michael Howard, a staunch Eurosceptic, pointed out in a speech in Madrid in July 2002:

‘(...) I believe in common with Gerhard Schroeder [sic], that the European single currency is but a stepping-stone to a political union. I imagine most of you would agree. I believe, in common with Jacques Chirac and Pascal Lamy, that the next step for members of the EMU will be genuine fiscal harmonisation. But that, too, is deeply unpopular in Britain – so again supporters of Britain’s entry find themselves in denial (...) transferring the power to decide on interest rates to the European Central Bank to do the best it can, setting a single interest rate for all the countries in the Eurozone, each with its different circumstances, involves a significant loss of national ability to influence the conduct of its economic affairs’<sup>386</sup>.

In this respect it is remarkable to note that British Eurosceptics manage to push the discussion about the political implications of EMU to the limits of rational debate, turning the issue into a choice between maintaining national liberty and independence or becoming submerged in a bureaucratic superstate, dominated by French and German interests.

Former Prime Minister Margaret Thatcher stresses in her latest publication that the euro would be nothing but a purely political project, gradually depriving the participating member states of their sovereignty and forcing them into the artificial structure of a European superstate:

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<sup>386</sup> ‘Howard: the European single currency is but a stepping-stone to a political union’, July 2002, Michael Howard speech on the single currency at a conference in Madrid, [http://www.conservatives.com/news/article.cfm?obj\\_id=34439&SPEECHES=1](http://www.conservatives.com/news/article.cfm?obj_id=34439&SPEECHES=1).

‘The most substantial manifestation of the design to create a fully-fledged superstate so far is the European single currency. This project is essentially political, rather than economic (...). The power to issue and control one’s own currency is a fundamental aspect of sovereignty (...) But it is clear, alongside the other transfers of power which have taken place and are taking place, our transfer to the European Union of the authority to issue currency would move us a long way towards losing our sovereignty’ (Thatcher, 2002, p. 351 and pp. 382-383).

The Conservative peer Lord Rees-Moog, who contributes a regular column on the latest European developments in *The Times* newspaper, does not grow tired of warning about the real intentions of the European integration process, which would intend to deprive member states of their core sovereign powers:

‘The European nations will have lost their independence; they will, in effect, be colonies of a centralised European empire, ruled by the Franco-German political class (...). The British electorate will have lost the core power of democracy, the ability to throw out a failing government (...). The real power, the European centre, will never be thrown out. It will be a self-perpetuating bureaucratic oligarchy’<sup>387</sup>

After two successive electoral defeats at general elections in 1997 and 2001, the Conservative Party is currently firmly in the hands of a staunch Eurosceptic leadership, which has gone as far as to rule out membership of the euro for good<sup>388</sup>.

The main opposition party is therefore officially firmly on the line of the Eurosceptic political argument, which tries to give priority to the political disadvantages of EMU membership rather than to engage in a serious debate about the economic implications.

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<sup>387</sup> ‘William Rees-Mogg: The ultimate betrayal, no questions asked’, 9 December 2002.

<sup>388</sup> Tory leader Ian Duncan Smith has made clear that under his leadership, a Conservative government would rule out joining the Euro for the long term: ‘(...) Joining the euro means giving away the ability to control our own economy (...) I believe it is simply not in our long-term economic interest to enter the Euro’ (‘Duncan Smith: The Iron Chancellor has got fatigue’, Speech to the Confederation of British Industry, 2 December 2002, [http://www.conservatives.com/news/article.cfm?obj\\_id=46756&SPEECHES=1](http://www.conservatives.com/news/article.cfm?obj_id=46756&SPEECHES=1)).

Under these circumstances it is at least debateable, if it is wise for the British government to focus mainly on the economic conditions for joining the eurozone rather than to engage in a fundamental public debate on the political benefits of EMU membership for the UK. Although the economic aspects are very important in order to ensure that membership will not affect the British economy in a negative way, it is doubtful if the British public can be won over by the economic argument only.

It seems that the constitutional arguments of the Eurosceptics have a far too profound effect on British public opinion to allow the government to neglect the political side of the argument for the euro. In an excellent analysis of the 1975 referendum campaign on British EC membership and its conclusions for a euro referendum by Robert M. Worcester, Leonard and Leonard emphasise in the foreword that the government and the supporting pro-euro interest groups will not win a referendum if they continue to concentrate on the economic arguments:

‘They risk losing their way by relying on a traditional case that no longer connects. There are limits to how far the pro-Europeans can campaign on fears about the possible loss of inward-investment or the impact of a high pound on manufacturing – even after BMW’s sale of Rover. Because people rate the Government’s handling of the economy they do not believe the apocalyptic scare stories about Britain’s economic fragility.’ (Leonard and Leonard, 2000, xii)

Worcester himself underlines that political leadership will be essential in order to counter the scaremongering of the Eurosceptics and to convince the British public which is, at present largely sceptical British public, to vote for the euro in a referendum:

‘What will be needed to win this debate is political leadership. Not by politicians blindly following the polls or focus groups, not worrying about the editorials in ‘opinion-forming’ broadsheet newspapers, or headlines in the red tops, but old-fashioned political leadership from the top by the Prime Minister, the Chancellor, convinced politicians, business leaders, academic and journalistic pundits and commentators and others in the ‘chattering class’, leading and speaking with the same conviction and commitment shown by the anti-Europeans and Euro-Sceptics who, at the moment, are running rings around those who believe, along with

successive American governments, that Britain's role in the world of the 21<sup>st</sup> Century is "at the heart of Europe".' (Worcester, 2000, p.7).

The Blair government currently continues to argue for EMU membership mainly on economic grounds. When New Labour came into power in 1997, the new government stressed it saw no constitutional barriers which in principle would stand against British membership of the eurozone. The economic aspects of EMU membership were thus given clear priority, as explained by the Chancellor of the Exchequer in his first statement on the single currency to the House of Commons in October 1997:

'The potential benefits for Britain of a successful single currency are obvious: in terms of trade, transparency of costs and currency stability (...) if it works economically, it is, in our view, worth doing (...). If a single currency would be good for British jobs, business and future prosperity, it is right, in principle, to join. The constitutional issue is a factor in the decision, but it is not an over-riding one (...). So we conclude that the determining factor as to whether Britain joins a single currency is the national economic interest and whether the economic case for doing so is clear and unambiguous'<sup>389</sup>

This 'clear and unambiguous' economic case for or against the euro would have to be decided by five economic tests, which the Chancellor named in his October 1997 statement as: sustainable cyclical convergence between the UK and the eurozone economies, sufficient flexibility of the British economy to cope with the changes caused by introducing the euro, effects on investment in the UK, the impact on financial services and finally, the effects on the British job market<sup>390</sup>.

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<sup>389</sup> Statement on Economic and Monetary Union by the Chancellor of the Exchequer, 27 October 1997, [http://www.hm-treasury.gov.uk/Newsroom\\_and\\_Speeches/speeches/statement/speech\\_statement\\_271097.cfm?](http://www.hm-treasury.gov.uk/Newsroom_and_Speeches/speeches/statement/speech_statement_271097.cfm?).

<sup>390</sup> Ibid.

Already in October 1997, the government also decided to start working on the ‘detailed transition arrangements for the possible introduction of the Euro in Britain’<sup>391</sup> in order to be prepared for close co-operation with and possible entry into the eurozone at a later date. The Treasury therefore has released regular reports on the state of the preparations for possible changeover from the pound to the Euro in the UK<sup>392</sup>, and also a recent summary of reports by private organisations in Britain on conclusions from the changeover from national currencies to the euro in participating countries<sup>393</sup>. The outcome of the assessment of the five economic tests will be announced by mid-2003<sup>394</sup>. The Chancellor has pointed out in his speech at the Mansion House in June 2001 that before the assessment could be made ‘necessary preliminary work for our analysis – technical work that is necessary to allow us to undertake the assessment’ will have to be undertaken<sup>395</sup>.

The assessment of the five economic tests was put in concrete form in a paper for the Treasury committee in September 2002. In the paper, the Treasury reconfirmed its point of view that possible British entry into the eurozone would be based on economic criteria only:

‘The determining factor underpinning any Government decision is the national economic interest and whether the economic case is clear and unambiguous’<sup>396</sup>

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<sup>391</sup> Ibid.

<sup>392</sup> See the latest 6<sup>th</sup> report on the state of the Euro preparations, July 2002, [http://www.euro.gov.uk/prep\\_reports.asp](http://www.euro.gov.uk/prep_reports.asp).

<sup>393</sup> HM Treasury, ‘Lessons from the Changeover in the Euro Area: a Summary of Reports by Private Sector Organisations in the UK’, July 2002, [http://www.euro.gov.uk/prep\\_reports.asp](http://www.euro.gov.uk/prep_reports.asp).

<sup>394</sup> The paper on the Treasury’s approach to the five tests states that ‘a comprehensive and rigorous assessment of the five tests will be made within two years of the start of this Parliament’ (Paper for the Treasury Committee on the Treasury’s approach to the preliminary and technical work’, 6 September 2002, pp. 1-2, [www.hm-treasury.gov.uk/Documents/The\\_Euro/euro\\_selcom0509.cfm?](http://www.hm-treasury.gov.uk/Documents/The_Euro/euro_selcom0509.cfm?)).

<sup>395</sup> Chancellor’s speech at the Mansion House, 20 June 2001, [http://www.hm-treasury.gov.uk/Newsroom\\_and\\_Speeches/Press/2001/press\\_69\\_01.cfm?](http://www.hm-treasury.gov.uk/Newsroom_and_Speeches/Press/2001/press_69_01.cfm?).

<sup>396</sup> Paper for the Treasury Committee on the Treasury’s approach to the preliminary and technical work’, 6 September 2002, pp. 1, [www.hm-treasury.gov.uk/Documents/The\\_Euro/euro\\_selcom0509.cfm](http://www.hm-treasury.gov.uk/Documents/The_Euro/euro_selcom0509.cfm).

The paper explains the details of each of the five economic tests and emphasises that there will be further additional studies undertaken for each of the tests. The test on the convergence between the British economy and those of the members of the eurozone, will be supported on a comparative analysis on monetary transmission mechanisms, housing markets, factors influencing differences in national business cycles and different approaches to sustainable exchange rates. Moreover, it will concentrate on trade and investment linkages, the sectoral composition of output and general structural differences between the UK economy and those of the eurozone countries<sup>397</sup>. The test on the degree of flexibility between the UK economy and the eurozone will include an assessment of the British labour market in terms of the mobility of labour and changes in wages and prices, the response of the British economy to economic shocks and the role of fiscal policy in stabilising the economy<sup>398</sup>. The test on how the introduction of the euro would affect investment in the UK will be extended to studies on the impact on the cost of capital and possible relocation of manufacturing and service sector businesses<sup>399</sup>. The fourth test on the financial services will include a study on factors that lead to the aggravation of financial sectors in certain areas, including the changes in the eurozone countries since the introduction of the single currency<sup>400</sup>. The fifth and final test, assessing the impact of euro membership on the long-term performance of the economy and the job sector in Britain will also look at impacts on external trade inside and outside the euro area, experiences from the creation of the U.S. dollar as a national currency in the United States and the adequacy of current stability policies (including the euro stability pact) in terms of providing economic stability. An additional assessment of the impact of EMU on prices will also be undertaken, an issue which will be important in order to counter the fears of British costumers with regard to rising inflation in the eurozone.<sup>401</sup>

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<sup>397</sup> Ibid, pp. 3-4.

<sup>398</sup> Ibid, pp. 5-6.

<sup>399</sup> Ibid, pp. 6-7.

<sup>400</sup> Ibid, p. 8.

<sup>401</sup> Ibid, pp. 8-9.

The British government hence considers the assessment of the economic implications of membership of the eurozone as the defining criteria, which will decide if the government recommends entering EMU. Only if the outcome of the assessment of the five economic tests in 2003 is positive, will the government recommend membership of the eurozone to the British people. The basis for any future political debate on the benefits of EMU membership for the UK will therefore only be made on the basis of a clear economic case for joining. The Chancellor underlined this stance in his latest speech at the Mansion House:

‘(...) I reject those who would urge us to join regardless of the assessment of the five tests. To join without a proper, full assessment of the five tests could, in my view, prejudice our stability, risk repeating past failures of exchange rate management and could return us to the days of stop-go at the expense of our ambitions for high investment, full employment and high and sustained levels of growth’,<sup>402</sup>

His chief economic advisor at the Treasury, Ed Balls, confirmed the government’s focus on the economic assessment of the issue in a speech at the 2002 Cairncross Lecture. Balls pointed out that the government would avoid the mistakes of previous administrations to neglect economic considerations in favour of political goals on a crucial decision:

‘The observation I make is not that it is wrong to make commitments - political commitments, principled commitments - but that decision requires a proper assessment of the long-term economic case and the short-term transition. Getting the politics right demands that we get the economics right. So the right conclusion is the basis on which the government is proceeding: that it makes sense to commit to joining in principle, but the practical decision requires the hard and detailed work we are doing’,<sup>403</sup>

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<sup>402</sup> Chancellor’s speech at the Mansion House, 26 June 2002, [http://www.hm-treasury.gov.uk/Newsroom\\_and\\_Speeches/Press/2002/press\\_62\\_02.cfm?](http://www.hm-treasury.gov.uk/Newsroom_and_Speeches/Press/2002/press_62_02.cfm?).

<sup>403</sup> ‘Why the five economic tests?’, Speech by the Chief Economic Adviser to the Treasury, Ed Balls at the 2002 cairncross lecture, 4 December 2002, [http://www.hmtreasury.gov.uk/Newsroom\\_and\\_Speeches/speeches/Chief\\_Economic\\_Advisor\\_to\\_the\\_Treasury\\_Speeches/cea\\_speech\\_041202.cfm?](http://www.hmtreasury.gov.uk/Newsroom_and_Speeches/speeches/Chief_Economic_Advisor_to_the_Treasury_Speeches/cea_speech_041202.cfm?).

The Prime Minister, whose political leadership on the issue will be crucial for the successful outcome of a referendum campaign, has recently started to focus more on the political side of euro entry. A strong advocate of British membership of the euro. Blair made it absolutely clear at the Labour Party Conference in October 2002 that the government would try to take Britain into the eurozone if the five economic tests were met. At the same time he stressed that Britain could only play a full part in the debate on the crucial issues facing the EU if it was part of the major Community project of EMU:

‘For Britain to help shape this new world, Britain needs to be part of it (...). And in Europe, never more so than now (...). That’s why the Euro is not just about our economy but our destiny. We should join the Euro if the economic tests are met. That is clear. But if the tests are passed, we go for it.’<sup>404</sup>

British membership of the eurozone would be all the more important at a point, where the existing members have initiated a debate about the criteria included in the EMU stability pact.

Especially Germany, which, under the leadership of the Kohl/Waigel administration, had insisted on the inclusion of the stability criteria<sup>405</sup> into the Maastricht Treaty, at present troubled by a declining economy, is now increasingly struggling to keep within the limits of the criteria. Germany has so far been the major advocate of the criteria and defended the strict criteria as an efficient means to provide economic and monetary stability within the eurozone, even in times of economic crisis, as stressed by German finance minister Hans Eichel in May 2002:

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<sup>404</sup> ‘At our best when at our boldest’, Speech by Tony Blair, Prime Minister and Leader of the Labour Party, Labour Party conference, Winter Gardens, Blackpool, [www.labour.org.uk/tbconfspeech](http://www.labour.org.uk/tbconfspeech).

<sup>405</sup> The convergence criteria which are determined in the EMU stability pact consist of: 1. Sustainable price performance, based on an inflation rate which does not exceed the performance of the three members with the best result by 1.5 %, 2. the national deficit must not exceed 3% of the GDP and national public debt in total should not be above 60%, 3. before joining, any aspiring member state’s national currency must be able to remain within the fluctuation margins of the ERM for two years without major difficulties (Tsoukalis, 2000, p. 163).

‘The cooling of the global economic climate has reached Europe with full force. The Euro has prevented things getting worse. Because it has prevented us to attempt to overcome the economic crisis at the expense of our partners. The coordination of economic and financial policy has worked.’<sup>406</sup>

In the course of 2002 it became increasingly clear, however, that Germany would violate the national deficit limit of 3% of its GDP, which has been determined in the stability pact. German finance minister Eichel had to admit after the re-election of the red-green coalition that Germany would break through the 3% hurdle of the Maastricht criteria in terms of its annual new borrowings for 2003<sup>407</sup>.

Chancellor Schröder called for greater flexibility in terms of the interpretation of the stability pact according to the respective national economic conditions of each member state<sup>408</sup>. The German government nevertheless had to accept an official warning from the European Commission, advising them that the Commission would initiate proceedings against Germany, which could lead to a substantial fine<sup>409</sup>.

The resulting domestic debate in Germany about the point of the stability criteria found support amongst the French elites who had never been at ease with the strict limits the stability pact sets to national economic policy for member states. After his second election victory in May 2002, French president Jacques Chirac had repeatedly refused to follow the European Commission’s call to reduce the amount of public spending in France in order to reduce the deficit, which is also approaching the 3% hurdle<sup>410</sup>.

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<sup>406</sup> ‘Der Euro – Bilanz und Ausblick’, Rede des Bundesministers der Finanzen im Forum der Landsebank Baden-Württemberg, 15 May 2002.

<sup>407</sup> *Süddeutsche Zeitung*, ‘Deutschland reißt 3-Prozent-Hürde’, 16 October 2002.

<sup>408</sup> *Süddeutsche Zeitung*, ‘Schröder fordert mehr Flexibilität bei Stabilitätspakt’, 20 October 2002.

<sup>409</sup> The Commissioner for financial and economic affairs, Pedro Solbes, had announced on 13 November 2002 that the Commission would initiate legal proceedings against Germany, because it ‘would clearly exceed’ the 3% hurdle of public debt (‘Bundesregierung akzeptiert Defizitverfahren der Europäischen Kommission’, German government press release, 13 November 2002, <http://www.bundesregierung.de/index-413.449282/Bundesregierung-akzeptiert-Def.htm>).

<sup>410</sup> See *Financial Times*, ‘French President refuses to back hardline immigration curbs and wins time to control deficit’, 24 June 2002.

At a bilateral meeting between Schröder and French president Chirac in Paris only a day after the Commission had announced the official proceedings against Germany, both leaders announced that they had found agreement on a call for a more 'political' definition of the stability pact. This would include an individual assessment of the political aspects of national economic growth, rather than a fixed one size fits all interpretation<sup>411</sup>. Both leaders were supported by Commission president Romano Prodi, who called the stability pact 'stupid and stiff' in an interview with the French newspaper *Le Monde* and called for 'a more intelligent interpretation' of the criteria<sup>412</sup>.

Heavily criticised for his economic policy at home, Schröder was therefore not afraid to keep the issue on the agenda. In his inaugural speech after the September 2002 re-election, Schröder emphasised that his government would not want to abolish or weaken the stability pact, but would push towards a more flexible interpretation of its criteria:

'One thing has to be clear: the stability pact itself is not under discussion. What we need, however, is a form which adapts to the economic situation. Especially in the present situation it has to be possible to let the automatic stabilisers have an effect. What is needed is greater flexibility, in order to be able to take counter-measures against an economically difficult situation'<sup>413</sup>.

German and France reconfirmed their determination for a reform of the interpretation of the Stability Pact, during bilateral talks between the French and German finance ministers at preparations for a regular meeting of Ecofin.

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<sup>411</sup> *Treffen von Bundeskanzler Schröder mit Staatspräsident Chirac*, German government press release, 15 October 2002, <http://www.bundesregierung.de/index-.413.443963/Treffen-von-Bundeskanzler-Schr.htm>.

<sup>412</sup> *Süddeutsche Zeitung*, 'Romano Prodi: "Der Stabilitätspakt ist dumm und starr"', 17 October 2002.

<sup>413</sup> *Regierungserklärung von Bundeskanzler Gerhard Schröder vor dem Deutschen Bundestag*, Berlin, 29 October 2002, <http://www.bundeskanzler.de/Regierungserklaerung-.8561.446416/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.

Both countries proposed to enhance the assessment of a member state's economic performance in the eurozone by analysing national inflation, employment policy and the pensions system on top of the level of public debt and borrowing<sup>414</sup>. Schröder explained these proposals in an interview with the German weekly paper *Die Zeit* on November 28<sup>th</sup> 2002:

'I want to make the corset more flexible, in order to be able to breathe in it. We do not want to go away from the stability pact. I am interested in the question: Is there actually only the one criteria as the content of this pact and therefore as the content of economic policy in Europe, or do we not have to make sure that those other criteria – namely the national debt in total, the rate of inflation and the level of unemployment – have some influence on the assessment of economic policy in the nation states, as it is made by the Commission? I doubt that you would need a formal alteration of the pact for that. But it is important to me that one considers such interpretations.'<sup>415</sup>

The British government certainly strongly supports such proposals towards a more flexible interpretation of the stability pact. The original stability pact is very much a German *Bundesbank* design, focused on monetary stability and leaving little room for national economic policy adjustment. In contrast, the Blair government has stressed that its relatively successful economic policy is based on sufficient flexibility to react to economic disturbances. The British government thus uses a much wider and flexible range of criteria for the assessment of its monetary and fiscal policy than the EU. As the Chancellor Gordon Brown explained in his autumn 2002 pre-budget statement, the UK assesses a variety of criteria, which would be much closer to the new demands put forward by French and German leaders:

'As with monetary policy, so also our fiscal policy is designed to help sustain growth at every stage in the economic cycle, with our fiscal rules set for the long term and based on deliberately cautious assumptions including for revenues.'

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<sup>414</sup> *The Times*, 'Germany and France seek Pact reform', 5 November 2002.

<sup>415</sup> Interview with Chancellor Schröder, *Die Zeit*, 28 November 2002.

These assumptions which are independently audited by the National Audit Office mean that when stock market values fall we take this fully into account, not just in assessments of the current year's stamp duty, capital gains tax revenues and corporate tax returns, but build these falls fully into revenue projections for future years. And the assumptions include not only a cautious view of tax receipts from growth, of oil prices and of the impact of revenue gains from, for example, our VAT anti-fraud strategy, but cautious assumptions about unemployment, where we claim no social security savings when unemployment is forecast to fall'<sup>416</sup>

The British government would therefore very much welcome changes in the stability pact criteria. A more flexible system would make it easier for the government to sell EMU to the British public, and would substantially weaken the Eurosceptic argument that the UK economy is not suited for membership of EMU. Based on Prodi's comments about the stability pact, the European Commission only recently published proposals for a fundamental change to the rules of the stability pact towards greater flexibility. The Commission proposals call for a new way of assessing the budgetary situation of member states and taking into account the economic cycle a country finds itself in:

'Due account should be taken of the economic cycle when establishing budgetary objectives at EU level and when carrying out the surveillance of Member States budgetary positions. The 'close to balance or in surplus' requirement of the SGP would be defined in underlying terms. This isolates out the impact of the economic cycle on budgetary positions. As such, it provides a better picture of the true state of public finances in a country, and enables the Commission to carry out a better assessment of compliance with budgetary commitments given in the Stability and Convergence programmes'<sup>417</sup>

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<sup>416</sup> Chancellor of the Exchequer's pre-budget statement, House of Commons, 27 November 2002, [http://www.hm-treasury.gov.uk/Pre\\_Budget\\_Report/prebud\\_pbr02/prebud\\_pbr02\\_speech.cfm?](http://www.hm-treasury.gov.uk/Pre_Budget_Report/prebud_pbr02/prebud_pbr02_speech.cfm?).

<sup>417</sup> 'Commission calls for stronger budgetary policy coordination', European Commission press release, Brussels, 27 November 2002, [http://europa.eu.int/rapid/start/cgi/guesten.ksh?p\\_action.gettxt=gt&doc=IP/02/1742|0|RAPID&lg=EN&display=](http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/02/1742|0|RAPID&lg=EN&display=).

Although it would leave the fundamental criteria of the stability pact unchanged, this more flexible interpretation would come very close to the Franco-German demands on a new interpretation of the stability pact. Previously, Chancellor Gordon Brown had pointed out in an interview with the *Financial Times* on November 20<sup>th</sup> 2002 that the EU would have to come to a more flexible system for EMU in order to allow member states to pursue their national economic counter-measures against global economic downturn<sup>418</sup>. In this respect, the UK would consequently be an ideal partner for Germany (and even France in this case) in the drive towards the reform of the stability pact, if it were in the eurozone. Although France and Germany will certainly welcome the British calls for a more flexible stability pact, the question in this case is in how far the British government is having an influence on detailed reform measures as long as it remains outside EMU. It is quite unlikely that as a non-member of the eurozone, it will be able to have a significant impact on changes in the structure or the policies of the project. The decisions on EMU will be made by the 12 member states of the euro club, and as long as Britain remains outside it will not be able to take on a leading role in these discussions.

Moreover, in spite of the government's commitment to Europe, outside EMU Britain is still seen as a not fully engaged EU member state. In contrast to the widespread belief among the British political elite that Britain could play a leading role in the EU even if it decided to stay outside the eurozone for much longer<sup>419</sup>, the perception on the continent is quite different. As Charles Bremner reported in *The Times* on December 2<sup>nd</sup> 2002, the renewed co-operation between France and Germany on a number of issues, such as the compromise on CAP, are a sign that especially the German leaders see Britain as a half-hearted European, because it still has not joined the euro:

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<sup>418</sup> Interview with Gordon Brown, *Financial Times*, 20 November 2002.

<sup>419</sup> Labour MP Gisela Stuart told me that she believed that Britain 'would be a leading player in the European Union as long as the economy remains alright (...) provided that these engines are occurring and producing, then you are a political player' (Interview in at the House of Commons, 25 July 2002).

‘However, London’s influence has waned as Mr Blair’s support for Washington has grown and amid signs that Britain will stay out of the euro for years’<sup>420</sup>

Professor Jürgen Meyer, vice-chairman of the *Bundestag* EU committee and official representative in the Convention on the Future of Europe called for the British government to sort out the euro issue as soon as possible, in order to be able to profoundly influence the reform agenda in Europe:

‘Entry into the Euro is a very important, almost obligatory precondition. I cannot imagine that a country plays a leading role, if it remains outside the door with regard to this important question.’<sup>421</sup>

Gary Titley, who in his role as newly elected leader of the Labour MEPs in the European Parliament gets more of a perception of the continental view of Britain’s European policy, admitted in an interview in March 2002 that, although Britain has been leading on a number of issues in the EU, remaining outside the euro would mean to gradually lose more and more influence:

‘Ultimately it has to be recognised that in the long run, if you are not in the euro, you are not part of the most important discussions (...) The most important discussions are taken by the finance ministers and there are times when we are not in the room (...) The longer we are out, the more, gradually, we get excluded from these main issues (...) The core in the European Union is the euro. It’s either that or in the end you gradually lose influence’<sup>422</sup>

More than any possible economic difficulties regarding the EMU entry into EMU, the government will thus have to be most concerned about the long-term political implications should it not be able to convince the British public of the case for the euro. If the British government genuinely seeks a leadership role besides France and Germany in the EU, it will have to be part of the crucial project of EMU.

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<sup>420</sup> *The Times*, ‘Paris and Berlin renew marriage of convenience’, 2 December 2002.

<sup>421</sup> Interview with Professor Jürgen Meyer, SPD *Party conference*, Nuremberg, 20 November 2001.

<sup>422</sup> Interview with Gary Titley, MEP, Manchester, 1 March 2002.

Issue-related short-term leadership will still be possible for the UK, but a profound impact on crucial, especially economic issues for the long term can only be achieved inside the eurozone.

As Mark Leonard argued in the *Observer* on November 3<sup>rd</sup> 2002, close personal relationships between the British Prime Minister and other EU leaders will in the long term not be good enough, if Britain decides to remain a second-class member state:

‘Advisers in Downing Street glow with pride as they tell you that Blair has a closer relationship with all the key players in Europe than any other leader: who else can claim to be best friends with Aznar, Ahern, Schroeder, and even the Poles (...) But the fact that Britain is not in the euro means that Prime Minister [sic] cannot cash in his chips for leadership. This has been apparent in the proceedings of the Convention on the future of Europe. Peter Hain has played a constructive role and won many of the arguments on the detail – but the mood music coming out of Brussels still sounds like the old elitist tunes (...) All this could be reversed if Blair lives up to what he has often called his “historic mission”.’<sup>423</sup>

The latest warning call came from the Portuguese Prime Minister José Durapo Barroso, who warned Blair that Britain could not expect to have the right to lead on the major issues within the EU, if it decided to take part in the most important project of the Community:

‘If the UK does not share the duties of membership in the euro, [it] cannot have the right to lead in defence, where traditionally Britain has a very important profile on the institutional debate’<sup>424</sup>

The outcome of the economic assessment of the five tests for EMU entry and a possible referendum afterwards will consequently mark important milestones in Britain’s future role in Europe.

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<sup>423</sup> *The Observer*, ‘The price we pay for staying out’, 3 November 2002.

<sup>424</sup> *The Times*, ‘Strike-hit Portugal gives Blair euro alert’, 11 December 2002.

If the alleged media reports about an increasing private disagreement between the Prime Minister and the Chancellor on the issue are true<sup>425</sup>, a decision on the issue in this parliament is unlikely. This would seriously undermine British leadership ambitions in the EU and would especially prevent Britain and Germany from being able to co-operate effectively on making a success of the eurozone. British entry into the eurozone would fundamentally change the present conditions under which the UK government can develop its European policy and would also reshift the power balance within the EU.

It would turn Britain into a whole-hearted EU member state and would therefore ensure that Britain has an influence in all areas of EU policy-making. Inside the eurozone, Britain would certainly become the reliable working partner Germany longs for on a number of issues, where the disagreements with France are reluctantly swept under the carpet, mainly because of a lack of alternatives.

Heather Grabbe and Wolfgang Münchau hence rightly emphasise the crucial importance of the euro for British-German relations and for the EU as a whole:

‘The question of monetary union overshadows many aspects of the relationship between the two countries, and it also hangs over the whole British debate about European integration. The Germans feel they cannot rely on the British because a new twist in the domestic wrangle over the euro can cause a sudden weakening in the British commitment to other European initiatives (...). If the UK were in the monetary union, it would have as much to offer Germany as France does. The UK’s decision is thus a vital interest for Germany because it affects the political dynamics of the EU as a whole.’ (Grabbe and Münchau, 2002, p. 37 and p. 41).

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<sup>425</sup> See e.g. Andrew Rawnsley in the *Observer*, who reports that Blair and Brown are increasingly divided on the euro issue, with the Chancellor obviously not wanting to risk entry when the eurozone is on the brink of recession, which makes a negative assessment of the five tests in 2003 likely (*The Observer*, ‘Why Tony didn’t laugh at Gordon’s joke’, 1 December 2002).

See also *The Times*, ‘Treasury doubts on euro widen Blair-Brown gap’, 2 December 2002, based on a document released by the Treasury as part of the 2002 pre-budget report, which stresses the superiority of Britain’s fiscal framework over that of the eurozone (‘Macroeconomic frameworks in the new global economy’, November 2002, <http://www.hm-treasury.gov.uk/mediastore/otherfiles/admacro02-249kb.pdf>).

### 4.3. Economic reform and social policies

Britain and Germany have a lot of common interests in the further liberalisation of the EU's single market, as well as co-operation on economic reform among the member states. However, like on institutional reform, the two countries approach the issue of economic reform from two opposing perspectives, which again relate back to the background of domestic political tradition. Germany's proposals on economic reform are made from the experience of a national economic system, which is characterised by a high level of wages, social security and strong corporatist influence in comparison with the rest of Europe. In the so-called *Rhineland capitalism*, which emerged from the West German Bonn republic, where trade unions and employers interest groups have traditionally found a relatively smooth way of co-operating with one another, economic flexibility is limited and fundamental reform is difficult to achieve.

The focus is very much on the protection of the rights and welfare of employees and an adequate participation in the way a business or company is run. In contrast, the Anglo-American system of liberal capitalism focuses on high labour flexibility through relatively low wages and a minimum of social costs for the employer. Britain and Germany thus come from completely opposing strands of the economic spectrum:

‘The “Rhenish” model, found in Switzerland, Germany, the Benelux countries, and Japan, rests on the idea that prosperity demands consensus, the pursuit of collective success, and concern for the long-term. The “Anglo-Saxon” model, associated with the United States of America and the UK, is characterised as being driven by the need to provide opportunities for individual success and short-term profit. The two models are sometimes contrasted as “organised capitalism” versus “disorganised capitalism”.’ (Meehan, 2000, p. 225)

Whereas the consensual model of corporate capitalism has been traditionally adhered to by all major parties, in Britain the division on economic policies between Labour and Conservatives has at times been stark.

This was most obvious by the end of the 1970s, when the Conservatives supported U.S. style economic liberalisation, then known as 'Reagonomics', whereas the Labour Party stood for old style socialist interventionist tax-and-spend economic policies. It was only in the early 1990s, when the German economy came under increasing pressure due to the burden of reunification that a domestic debate about the state of the German structural framework emerged. It had mainly been characterised by two opposing camps, who both claimed to have found the right recipe to get the motor of the German economy, which used to be Europe's powerhouse, running again. On the one side one could find the supporters of Keynes, who argued that the German economy needed more public sector investment in order to stimulate demand, lead by the former SPD leader and finance minister Oskar Lafontaine. On the other side stood the right wing of the CDU and CSU and especially the free traders within the FDP, who made the case for deregulation, cutting of social benefits and labour costs and drastic tax cuts.

As none of the two groups could never fully get their way in the cumbersome political and economic framework of Germany, the corporatist model has basically been preserved. After the election victory of the SPD and the Greens in 1998, many expected that the pendulum would swing towards a more interventionist economic and financial policy, especially as Lafontaine had become finance minister. In contrast, the German Chancellor himself had initially flirted with a reform of the economy more towards the Anglo-Saxon model. The joint Schröder-Blair paper on economic reform, which is now almost forgotten and cannot even be found in the archives of the SPD's official website, had caused a major stir in Germany and especially within the SPD. Based on Schröder's election slogan '*Die neue Mitte*', it had called for a new third way in European economic policy, based on fundamental reforms. The paper had shocked the traditionalists within the SPD, because, although it rejected neoliberal 'laissez-faire' capitalism, it had called for an end to further increases in public spending and demanded radical reform of the state bureaucracy:

‘The necessary cut in public expenses demands a radical modernisation of the public sector and an increase in performance and a structural reform of public administration (...) The social security systems have to adapt to the changes in life expectancy, family structure and the role of women.’<sup>426</sup>

Regardless of Lafontaine’s sudden departure from government in March 1999, the paper was quickly forgotten and, at least in its first term in office the Schröder government has tended to return to the traditional German priorities of social inclusion. In spite of Schröder’s initial flirtation with Labour’s third way, it was clear that from the outset, the Chancellor’s focus was on economic reform combined with a strong social element on the European level. Whilst still in opposition, Schröder had already pointed out that, once in government, he wanted to push towards greater harmonisation of economic, social and employment policies on the EU level, as national measures alone would not be able to improve the state of the German economy:

‘A Social democratic government will, in order achieve the long overdue watershed on the job market, pursue an active common policy in the EU, serving the purpose of the reduction of unemployment. With this goal before us we should try to advance the coordination of economic and financial policy together, push through basic rules for a fair taxation of business and an effective taxation on energy, remove tax and social dumping and therefore press for an alignment of the conditions for fair competition amongst the members of the Union’<sup>427</sup>

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<sup>426</sup> ‘*Der Weg nach vorne für Europas Sozialdemokraten*’, Schröder-Blair paper, 8 June 1999, printed in: *Internationale Politik*, 8, August 1999, *Dokumentation*, <http://www.dgap.org/IP/ip9908/positionspapier080799.htm>.

<sup>427</sup> *Rede des SPD-Kanzlerkandidaten, Gerhard Schröder, vor der Fraktion der Sozialistischen Parteien Europas (SPE) im Europäischen Parlament*, Strasbourg, 14 July 1998, printed in *Internationale Politik*, 9, September 1998, <http://www.dgap.org/IP/ip9809/redeschroeder140798.htm>.

In his first statement to the *Bundestag* on October 20<sup>th</sup> 1998, Schröder emphasised that his government wanted to develop the EU into a 'social and environmental union', based on the further harmonisation of policies, something which the Kohl government had rejected only in June of the same year at the EU's summit in Amsterdam:

'Through change in government in Germany and the new political realities in Europe, finally the chance for a European social- and employment policy emerges. The battle against unemployment can finally be dealt with as a European question. It is no longer a footnote to the decisions of the Council of Ministers, but stands at the top of the European agenda'<sup>428</sup>

In the work programme for its first presidency of the EU Council in the first half of 1999, the red-green government consequently strongly emphasised the importance of the EU as a social and environmental union. The coordination of social and environmental policies was considered as the basis for a reconnection between the EU and its citizens. This should be complemented not through the full harmonisation, but through a much closer coordination of national employment policies on the European level, based on an EU employment pact:

'The German presidency is determined to work towards advancing the integration process and to develop the European Union into a political union but also into a social and environmental union. Only then will it be possible to bring the European Union closer to its citizens (...). The German presidency will therefore emphatically push towards the realisation of a European employment pact, which pursues two goals. First: more employment in the macro-economic context of wage, monetary, and employment policy. Secondly: the coordination of national measures on employment policy, which was based on a workable basis with the Amsterdam Treaty and the decisions of the Luxembourg employment summit'<sup>429</sup>

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<sup>428</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, 10 November 1998, [www.bundeskanzler.de/Regierungserklärungen-.7561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder.htm](http://www.bundeskanzler.de/Regierungserklärungen-.7561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder.htm).

<sup>429</sup> *Programm der deutschen EU-Ratspräsidentschaft*, 21 December 1998, printed in: *Internationale Politik*, 6, June 1999, <http://www.dgap.org/IP/ip9906/eude211298.htm>.

Foreign Minister Fischer called for 'a social policy addition' to EMU in terms of the fight against unemployment. He called on the EU to pass a European employment pact as a basis for the development of a European employment policy:

' The people in Europe are right to expect that not only the national governments act against unemployment, but that the European level also makes its contribution. We want clear progress towards an effective employment policy in the European Union and to pass a European employment pact at the European Council in Cologne'<sup>430</sup>

These priorities were confirmed in the detailed programme of the German presidency on labour and social affairs. The programme underlined the need to develop a common European employment policy, based on an employment pact and stressed that Germany would also try to involve the Labour and Social affairs Council more in the decision-making<sup>431</sup>.

The British New Labour government, as part of its general openness towards further deepening of European integration, had made a symbolic step with the signing of the Social Chapter after it had come to power.

This showed that it was no longer as hostile as its Conservative predecessors towards the pooling of efforts on economic and social issues on the European level. The 1997 Labour manifesto had already promised that, as part of a new active role within the EU, Britain under Labour would push towards the completion of the Single Market and sign the Social Chapter. In contrast to the German perspective, however, the focus was very much on making the European economies more competitive on the global economic stage and making sure that Britain would have a say on the development of EU social policies.

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<sup>430</sup> *Rede des Bundesministers des Auswärtigen Joschka Fischer in der französischen Nationalversammlung, Paris, 20 January 1999, [www.auswaertiges-amt.de/6\\_archiv/99/r/R990120a.htm](http://www.auswaertiges-amt.de/6_archiv/99/r/R990120a.htm).*

<sup>431</sup> Objectives and programme of work of the German EU presidency in the 1<sup>st</sup> half of 1999 in the area of the Labour and Social Affairs Council, December 1998, [www.bma.bund.de/gb/europa/ziele.htm](http://www.bma.bund.de/gb/europa/ziele.htm).

Especially in the latter area, New Labour promised not to agree to measures on the EU level, which would lead to higher costs of Labour for British business and for the British taxpayer:

‘We will open up markets to competition; pursue tough action against unfair state aids; and ensure proper enforcement of single market rules. This will strengthen Europe’s competitiveness and open up new opportunities for British firms (...)

The Social Chapter is a framework under which legislative measures have been agreed (...) The Social Chapter cannot be used to force the harmonisation of social security or tax legislation and it does not cost jobs. We will use our participation to promote employability, not high social costs.’<sup>432</sup>

The UK priorities for the first British Council presidency under New Labour in the first half of 1998 focused on ‘creating a more effective single market and improving labour market regulation to reduce burdens on business’<sup>433</sup>. The government also announced that it would ‘seek to develop the theme of economic reform, to bring excluded groups into the labour market, and to reduce barriers to employment’<sup>434</sup>.

With the crucial Lisbon summit on economic reform ahead in March 2000, both the German and the British government stressed the need to further liberalise the European single market, to enable better access to modern communications technology for everyone and to improve funding for trans-European research.

Blair emphasised in a doorstep interview with the Dutch Prime Minister before the start of the Lisbon summit that it would have to manage to provide a basis for the modernisation of the EU single market. This would have to be strongly focused on making sure that the citizens of Europe would gain from such a reform in terms of jobs and social inclusion:

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<sup>432</sup> ‘New Labour – because Britain deserves better’, Labour party 1997 general election manifesto, p.37.

<sup>433</sup> ‘UK Presidency of the European Union: Britain’s Priorities for the Presidency’, 1998, <http://presid.fco.gov.uk/priorities>.

<sup>434</sup> ‘UK Presidency of the European Union: Work Programme’, 1998, <http://presid.fco.gov.uk/workprog/jobsummit.shtml>.

‘(...) We both really emphasized both the importance of the summit and the need for Europe to take a step forward on both economic reform and how we make sure that we develop this new economy in the interests of all our people (...) I think the idea both of developing a more dynamic European economy and combining that with modern measures that deal with the problems of social exclusion and social deprivation is absolutely at the heart of today’s European project’<sup>435</sup>

Earlier, in a speech in Belgium, the Prime Minister had already laid out the UK priorities for the Lisbon summit. He stressed that the choice for the reform of the European economy would be between ‘uncontrolled change forced by the markets, or a process of economic reform that delivers both economic dynamism and social justice’<sup>436</sup>. In order to compete with the U.S. economy on the global stage, the EU would have to push through economic reforms towards ‘a whole new single market’<sup>437</sup>, focused on job creation, market liberalisation, welfare reform, life-long learning, and technological change. In terms of common social and economic policies on the EU level, Blair called for new legislation on liberalisation of the single market and to establish successful national social and employment strategies as EU norms:

‘I also hope that Lisbon will mark a turning point in Europe’s approach to economic and social policy at the European level. Legislation to push through liberalisation, enforced by strong independent institutions. Benchmarking and peer review to make best practice the norm in areas where member states have the sole or main responsibility, such as social and employment policy’<sup>438</sup>

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<sup>435</sup> Transcrip of doorstep statement given by the Prime Minister, Mr Tony Blair and the Dutch Prime Minister, Mr Wim Kok, London, 15 March 2000, [www.number-10.gov.uk/news.asp?NewsId=691&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=691&SectionId=32).

<sup>436</sup> ‘Committed to Europe, reforming Europe’, Prime Minister’s speech at the Ghent City Hall, Belgium, 23 February 2000, [www.number-10.gov.uk/news.asp?NewsId=579&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=579&SectionId=32).

<sup>437</sup> Ibid.

<sup>438</sup> Ibid.

The German government strongly shared the British priorities for Lisbon. Both countries pushed towards market liberalisation at Lisbon, closely connected with the desire to fight unemployment and to transfer the EU single market into a modern knowledge-driven economy, based on modern technology, science and research, and the desire to enable all EU citizens to participate and benefit from it.

Especially the creation of jobs is a crucial matter of concern for Germany, which has been troubled by persistent high levels of unemployment (between 3 and 5 million) since reunification. Chancellor Schröder hence summed up the decisions reached at Lisbon, where the EU had decided to create 20 million new jobs within the single market and to increase the EU GDP by 40%<sup>439</sup>, as a serious commitment of the European leaders to transform the former industrial-based economies of the EU into modern information technologies:

‘Lisbon has to be understood as a sign of earnestness, to tackle the future challenges, namely the change from the old industrial society to an industrial society, which is, above all, based on knowledge and which therefore rightly puts the information and communication technologies at the centre of an industrial policy strategy.’<sup>440</sup>

In his official statement to the *Bundestag* on the outcome of the Lisbon summit, Schröder underlined that a consensus among the EU member states could be achieved that the Lisbon process will turn the single market into an open economy, which will enable all parts of society to participate:

‘A European way into the knowledge and information-driven society exists. This is the way towards a society of participation. Therefore a way, which the whole society will be able to go along with.’<sup>441</sup>

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<sup>439</sup> See presidency conclusions for the Lisbon European Council, 24 March 2000, <http://ue.eu.int/Newsroom/related.asp?BID=76&GRP=2379&LANG=1>.

<sup>440</sup> *Abschluss-Pressekonferenz von Bundeskanzler Gerhard Schröder auf dem Europäischen Rat in Lissabon, 23/24 March 2000*, <http://www.bundestkanzler.de/Findulin-Spiel-.8442.7363/Abschluss-Pressekonferenz-von-Bundeskanzler-Gerh...htm>.

<sup>441</sup> *Regierungserklärung von Bundeskanzler Gerhard Schröder zu den Ergebnissen der Sondertagung des Europäischen Rates in Lissabon, 6 April 2000*,

In terms of economic liberalisation, Schröder expressed general support but also warned the other EU member states that Germany would not accept that 'grown and well-established structures of public existential provision would be put up for consideration'<sup>442</sup>. This was a clear indication that, although the German government generally agrees to the necessity to further reduce trade barriers and tariffs within the EU's, it would not accept a single market, in which free trade is the ultimate principle. The Schröder administration has thus been much more careful to protect national industries against outside competition than Britain<sup>443</sup>.

At the same time, in spite of its strong urge for radical market liberalisation in the EU, the British government showed that there would also be red lines in terms of economic and social policy. The Chancellor Gordon Brown welcomed the progress made at Lisbon, especially with regard to job creation and market liberalisation but he warned that the British government would resist any moves towards tax harmonisation in Europe, especially a European withholding tax on the financial sector:

'We should see the billions of trade and the 3 million jobs that come from the European single market as only a beginning. Instead of seeing Britain posed against Europe, we should see Britain working constructively in Europe to complete the single market in energy, telecommunications, the utilities and financial services. In this lies more business and more jobs for Britain and Europe together (...). And it is for the best economic reasons therefore that in Europe we will continue to support fair tax competition, and not tax harmonisation. And we will continue to argue the case for exchange of information and continue to refuse to allow a withholding tax to be imposed on the City of London.'<sup>444</sup>

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<http://www.bundeskanzler.de/Regierungserklaerung-.8561.58570/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.

<sup>442</sup> Ibid.

<sup>443</sup> The German Chancellor promised the insolvent German building company *Holzmann* substantial government aid in 1999, for which he was criticized by other EU member states and the European Commission (*Die Welt*, 'Schröder drängt Banken zur Holzmann-Rettung', 25 November 1999).

<sup>444</sup> Speech by the Chancellor of the Exchequer at the Mansion House, 15 June 2000, [http://www.hm-treasury.gov.uk/Newsroom\\_and\\_Speeches/Press/2000/press\\_75\\_00.cfm?](http://www.hm-treasury.gov.uk/Newsroom_and_Speeches/Press/2000/press_75_00.cfm?).

In contrast to the British position, the Schröder administration considers closer harmonisation of taxes as a necessary step towards achieving a more stable framework for investment and job creation in the EU. This was already expressed in the official German position paper for the European Council in Stockholm in March 2001, where the EU member states had planned to undertake further steps towards achieving greater economic and social cohesion within the single market. The paper emphasised the need create a secure basis for business through greater tax harmonisation as part of the Lisbon liberalisation agenda:

‘The ability to compete and its own economic dynamic are crucial to achieve the strategic goal, to turn Europe into the most competitive and knowledge-based economic area in the world by 2010. For this, the scope for business in Europe has to be enhanced through an improvement of the basic conditions concerning taxes, capital markets and the legal framework. Liberalisation and the opening of markets have to be accelerated in crucial areas.’<sup>445</sup>

The paper named greater coordination of business taxes, EU directives on energy and sales tax and on the deductions before tax as concrete steps<sup>446</sup>. In the area of liberalisation, further steps would have to be achieved in the areas of postal services, gas and electricity, telecommunications and financial market integration<sup>447</sup>. The paper also explicitly stressed the need to improve framework of the single market towards greater harmonisation of the conditions for trans-border investment and economic activity<sup>448</sup>. This was a matter of concern strongly shared by the British government. In a joint article published by Tony Blair and the Finnish Prime Minister Lipponen, the two leaders called for equal rules for competition amongst businesses across the single market in order to strengthen the single market in the global economy:

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<sup>445</sup> *Deutsches Positionspapier für den Europäischen Rat in Stockholm*, 25 March 2001, p. 1, [www.bundesregierung.de/dokumente/Artikel/ix\\_31948.htm](http://www.bundesregierung.de/dokumente/Artikel/ix_31948.htm)

<sup>446</sup> *Ibid*, p.2.

<sup>447</sup> *Ibid*, p. 3.

<sup>448</sup> *Ibid*, p. 2.

‘Too often in the past, Europe has lost its economic advantages to others because of an unwillingness to capitalise on its advantages (...). But Europe’s small firms are exactly those least able to cope with poorly thought out, unnecessarily burdensome, levels of regulation. For these small firms, as well as more established ones, a key requirement is a coherent, well functioning and efficiently implemented competition policy. The firms are justified in demanding a level playing field: a single market in which the rules of the game are applied equally and the referee, i.e. the competition authorities, is strong and impartial.’<sup>449</sup>

Like the German government, the British side therefore put the emphasis for Stockholm very much on the reduction of unnecessary tariffs and trade barriers for businesses in Europe, as part of the external strengthening of the single market.

As at Lisbon, the British government led the drive towards economic liberalisation at Stockholm within the EU. Although further liberalisation could not be achieved in all areas at Stockholm, mainly because of French opposition against liberalisation of national energy and transport markets<sup>450</sup>, progress was made in the areas of financial services. The Stockholm Council also decided to establish a European patent, a crucial issue for trans-European research and technology development<sup>451</sup>. In total, the outcome of the summit was disappointing for the British side, as it was hoped that opposition to fundamental liberalisation could be overcome<sup>452</sup>. Prime Minister Blair hence stressed the positive results of the summit, but could not fully conceal his disappointment that only limited progress had been achieved:

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<sup>449</sup> Joint article by Prime Minister Lipponen and Prime Minister Blair, March 2001, [www.number-10.gov.uk/default.asp?PageId=3658](http://www.number-10.gov.uk/default.asp?PageId=3658).

<sup>450</sup> Bannermann (2001), CER Bulletin, Issue 17.

<sup>451</sup> Stockholm European Council Presidency conclusions, 23/24 March 2001, <http://ue.eu.int/Newsroom/related.cfm?NOREFRESH=1&MAX=1&BID=76&GRP=3314&LANG=1>.

<sup>452</sup> A few weeks before the Stockholm EU Council, Blair had told the Canadian Parliament in a speech that the EU would have the chance to make a fresh start on economic reform at Stockholm and clean up the leftovers from the Lisbon agenda: ‘The EU is engaged in a radical programme of economic reform. We are committed to opening up markets, reducing the burden of regulation and encouraging enterprise and new technologies. The forthcoming summit in Stockholm will take this a step further forward.’ (Speech by the Prime Minister to the Canadian Parliament, 23 February 2001, [www.number-10.gov.uk/print/page2780.asp](http://www.number-10.gov.uk/print/page2780.asp)).

‘So while I regret we could not go further at Stockholm, the prospects for agreement at European level are good (...) Taken together, these changes are further steps along the way to an efficient and competitive economy.’<sup>453</sup>

During the 2001 British general election campaign, Blair emphasised his commitment to continue to push forward the agenda of economic reform in the EU in a historic second term in office. In a speech on Britain’s role in Europe during Labour’s second term, the Prime Minister promised to

‘continue to take a leading role in setting the agenda in Europe. We will take forward the case for further structural reform to make European economies more flexible and more dynamic’<sup>454</sup>

This was confirmed in the 2001 general election manifesto. The government confirmed that in a second term, it would be committed to continue to play the leading role on economic reform in the EU. The liberalisation of financial services and utilities, further reduction of red tape, enhanced common research, the realisation of the European patent and a common European air traffic system were named as the areas in which further progress would have to be made<sup>455</sup>. Overall, the UK would work towards a genuine single market for the EU, in which the removal of trade barriers enabled it to compete on the global scale:

‘Britain has secured a shift in economic policy in Europe – away from harmonisation of rules and towards a system based on dynamic markets allied to comparison and promotion of best practice (...). Trade has been a vital source of prosperity for Europe’s citizens. Our vision is of an open European economy. That requires a genuine single market, in an open world trading system.’<sup>456</sup>

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<sup>453</sup> Stockholm European Council: Prime Minister’s Statement to the House of Commons, 26 March 2001, [www.number-10.gov.uk/news.asp?NewsId=1941&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=1941&SectionId=32).

<sup>454</sup> ‘Britain’s role in the Europe and the world of today’, 25 May 2001, [www.labour.org.uk/URBANITY.PORC\\_NEWS\\_DISPLAY?p\\_rowid=AAAHZjAAFAAAHukAA](http://www.labour.org.uk/URBANITY.PORC_NEWS_DISPLAY?p_rowid=AAAHZjAAFAAAHukAA).

<sup>455</sup> ‘Ambitions for Britain’, Labour general election manifesto 2001, p. 38.

<sup>456</sup> Ibid.

At the same time, it was stressed that Britain would not only support EU subsidies for national economies, provided that they were based on welfare system modernisation and helped to reduce inequality within the single market. Likewise, the national control over taxes should remain and the UK would therefore not be up for consideration:

‘We support efforts being made across the EU to reform welfare states, modernise social partnership and advance social inclusion. EU state aid policy should bear down on aids that distort the single market while supporting economic modernisation. We will keep the veto on vital matters of national sovereignty, such as tax and border controls.’<sup>457</sup>

The German government also continued to focus on the issue of further economic reform in the aftermath of Lisbon and Stockholm. For Germany the issue continues to be crucial, as it continued to be plagued by economic troubles, which especially worsened as part of the global economic downturn which had been affected by the events of September 11<sup>th</sup> 2001. The motion ‘*Verantwortung für Europa*’ on Germany’s role in Europe for the SPD party conference in Nuremberg in November 2001, underlined that the European single market would have to be extended by ending national protectionist policies in crucial areas:

‘We need to continue to extend the European single market systematically. This includes that all member states comply with their duties to open their markets on energy, gas, post within the period stipulated, in order to prevent distortions of competition.’<sup>458</sup>

This would however exclude the public financial service sector, which would be crucial to maintain support for the majority of the citizens and the subsidy of small and medium businesses<sup>459</sup>.

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<sup>457</sup> Ibid, p. 38.

<sup>458</sup> ‘*Verantwortung für Europa – Deutschland in Europa*’, SPD leadership motion for the Party conference in Nuremberg, <http://www.spd.de/servlet/PB/show/1010138/beschlussbuch.pdf>, pp. 43.

<sup>459</sup> Ibid, p. 44.

The motion called for a greater harmonisation of taxation in Europe, especially on business taxes, taxes on capital gains, energy, VAT and the creation for a common capital market as part of a general coordination of employment policies based on an EU-wide reform of wages<sup>460</sup>. As part of a stronger environmental component according to the Kyoto protocol, the EU should also consider the harmonisation of energy taxation<sup>461</sup>. Chancellor Schröder clarified this point in an interview with the Spanish newspaper *El País*. In the interview, Schröder rejected calls for fully harmonised fiscal policies on the EU level, and insisted that the basic competence for tax policies would have to remain with the national governments. Instead, especially with regard to the taxation of business, the EU member states should try to achieve better coordination in order to avoid a distortion of free competition within the single market:

‘The full integration of fiscal policies should not however not be our goal. The national parliaments have to continue to be responsible for the national budgets. Competition between the tax systems of the EU member states will also play a role in the future. But this competition has to take place within a framework, which secures two things: On the one hand we have to prevent one section of the taxpayers from escaping taxation through international mobility. On the other hand, the economic potentials of the single market must not be affected (...) The behavioural codex for business taxation shall counter the distortion of the choice of location in the single market.’<sup>462</sup>

Schröder also repeatedly pointed out the differences between the European social and economic model in comparison with other models, such as that of the U.S. or Asian countries. The European model would not just promote free trade and profit but ensure the participation of the majority of its citizens in the economic process.

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<sup>460</sup> Ibid, p. 44.

<sup>461</sup> Ibid, p. 44. and p. 46.

<sup>462</sup> *Bundeskanzler Schröder im Interview mit der spanischen Zeitung El País*, 28 November 2001, [www.bundesregierung.de/dokumente/Artikel/ix\\_63697\\_1499.htm](http://www.bundesregierung.de/dokumente/Artikel/ix_63697_1499.htm).

In the debate on the European policy motion at the SPD party conference in Nuremberg, Schröder made clear that

‘we see Europe not just as a market, but we want to see very specific political ideas, which are in line with our social democratic values, and for which we fight in the domestic political arena, realised on the European political level (...). We do not see Europe simply as a model, which has shown, how to solve conflicts, but also as a model of participation of the broad masses of the working people in wealth and decision-making within society.’<sup>463</sup>

The insistence on the preservation of this distinctive model of economic balance between the interests of industry and business on the one side and the employees on the other side is an issue which Schröder has used prudently during the 2002 German general election campaign. By contrasting the socially balanced German model of ‘*Rheinischer Kapitalismus*’ (‘Rhineland capitalism’) with the Anglo-Saxon and Asian model of free-market liberalism, Schröder managed to portray himself as the defender of German social cosiness against radical free market forces. His widely criticised use of ‘*der deutsche Weg*’ (the German way) to describe the German economic tradition of social balance and participation focused strongly on the preservation of high social standards:

‘My Germany is not dominated but those, who own big capital. On the contrary, its biggest capital are its people. Morality and responsibility of course also apply to the economy and the stock exchange. In my Germany, predators belong in a cage, not in a wrongly perceived market economy (...). This is our German way. I work and fight for this vision.’<sup>464</sup>

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<sup>463</sup> *Rede des SPD-Parteivorsitzenden, Bundeskanzler Gerhard Schröder zum Themenbereich Außen- und Sicherheitspolitik*, SPD-Party conference, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002034/index.html>.

<sup>464</sup> ‘*Gerhard Schröder: Meine Vision von Deutschland*’, 8 August 2002, [www.spd.de/servlet/PB/menu/1009368/1019636.html](http://www.spd.de/servlet/PB/menu/1009368/1019636.html).

Outside the heat of an election campaign, the German Chancellor usually prefers to maintain the linkage between the German economic model and the European level, and hence stresses that the broad participation of workers in an open economy is the right way forward for the EU. It is nevertheless obvious that the Chancellor insists on maintaining the basic framework of the German welfare state:

‘The German welfare state (...) guarantees social security. It promotes the integrity of society and it strengthens solidarity. The German, one could also say, the European model of participation is one of our trump cards in the global competition.’<sup>465</sup>

The German emphasis with regard to European economic reform is consequently much more on social cohesion than on liberalisation, which makes it distinctive from the British approach, where liberalisation is the main priority. Although it is important to keep this essential difference in mind when assessing British and German positions on economic reform, it would nevertheless be wrong to assume that, as a result, Britain and Germany would not be able to find common ground on economic and social reform in the EU.

The SPD draft motion on Europe at Nuremberg stressed the importance to maintain basic social standards, but at the same time also stressed the need to fundamentally reform the European economic and social model in order to achieve better job prospects for the whole of the Community:

‘We support the modernisation of the European economic and social model. This especially includes to make the social security systems fit for the future.’<sup>466</sup>

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<sup>465</sup> *Grundsatzrede des SPD-Parteivorsitzenden, Bundeskanzler Gerhard Schröder auf dem Parteitag der Sozialdemokratischen Partei Deutschlands in Nürnberg*, 19 November 2001, [http://de.srd.yahoo.com/S=9167327:WS1/R=2/TR=86/K=Grundsatzrede+Gerhard+Schröder+SPD+Parteitag+Nürnberg+2001/\\*http://2001.spd-parteitag.de/servlet/PB/menu/1001930/](http://de.srd.yahoo.com/S=9167327:WS1/R=2/TR=86/K=Grundsatzrede+Gerhard+Schröder+SPD+Parteitag+Nürnberg+2001/*http://2001.spd-parteitag.de/servlet/PB/menu/1001930/).

<sup>466</sup> *Verantwortung für Europa – Deutschland in Europa*, SPD leadership draft motion for the Party conference in Nuremberg, <http://www.spd.de/servlet/PB/show/1010138/beschlussbuch.pdf>, pp. 44.

At the same time, the SPD motion took up the British demand to open up the single market for external trade, especially with third world countries. A fairer global world trade system should thus be achieved through a reduction of external trade barriers and tariffs , especially for developing countries<sup>467</sup>.

In spite of the different emphasis of the British and German government in the discussion on economic reform, the two sides were not far apart at all in the run-up to the EU Council in Barcelona in March 2002, which was of course overshadowed by the global economic downturn in the wake of September 11<sup>th</sup>.

The British Prime Minister underlined the common British-German commitment to economic reform in his guest speech at the SPD party conference in Nuremberg

‘(...) Free trade will in itself not deliver prosperity and justice for all. We need to match our passion for free trade with an equal passion to better policies for development and aid. Again Britain and Germany – Labour and SPD – stand as one.’<sup>468</sup>

In spite of the two countries’ support for economic liberalisation and reform, which is much stronger than that of France, the March 2002 Barcelona summit also again showed the differences. The British government once again strongly pushed towards the completion of the reform agenda in terms of market liberalisation and labour market reform. The British focus in this respect was very much on flexibility, enhanced competitiveness in the global market and full employment through labour market reform and life-long learning. Amongst the priorities listed in the white paper on economic reform issued by the Treasury ahead of the Barcelona summit were the liberalisation of risk capital markets until 2003 and financial markets until 2005, as well as the removal of trade barriers in the energy, telecommunications, transport, gas

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<sup>467</sup> Ibid, p.50.

<sup>468</sup> Speech by Tony Blair at the SPD party conference, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002017/index.html>.

and electricity sectors<sup>469</sup>. The reform of the labour market should be achieved through life-long learning and equal opportunities, reduced state aid, better acceptance of national qualifications and enhanced research and development<sup>470</sup>.

In a joint statement by Tony Blair and the Italian Prime Minister Berlusconi, both governments stressed that the Barcelona Council would be a challenge for the EU member states to continue to pursue the agenda of economic reform against the background of global economic troubles:

‘The Barcelona European Council will be a test of our commitment to reform. It takes place against the challenging background of a world economy poised to recover from a downturn. But this is not a reason to postpone or dilute action: it strengthens the case for quickening the pace.’<sup>471</sup>

Although the Barcelona summit achieved further steps towards the liberalisation of the electricity, gas and postal services sectors (by 2004) and the move towards integration of financial services, a common European patent could still not be agreed on and there had also been no fundamental progress on the deregulation of energy and transport sectors<sup>472</sup>. The German reaction to the outcome of the summit was one of cautious optimism, but there had been certain bewilderment that the British Prime Minister sided with conservative free-market reformers like Italian Prime Minister Berlusconi during the summit. In his assessment of the Barcelona summit, the German Chancellor therefore stressed that Germany would make sure that economic reform would not lead towards a direction of free market capitalism with increasingly shrinking social standards:

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<sup>469</sup> ‘Realising Europe’s potential: Economic Reform in Europe’, European Economy Reform Treasury White paper, summary leaflet, February 2000, p. 7., <http://www.hm-treasury.gov.uk/mediastore/otherfiles/leaflet.pdf>.

<sup>470</sup> Ibid.

<sup>471</sup> Joint statement by the Prime Minister, Tony Blair and Italian Prime Minister, Silvio Berlusconi, at the Anglo-Italian summit, 15 February 2002, [www.number-10.gov.uk/default.asp?pageid=6132&this=6131](http://www.number-10.gov.uk/default.asp?pageid=6132&this=6131).

<sup>472</sup> See Barcelona European Council Presidency Conclusions, 15/16 March 2002, <http://ue.eu.int/newsroom/related.asp?BID=76&GRP=4304&LANG=1>.

‘The interim balance of Barcelona shows: The direction is right. Europe is on a good way into the 21<sup>st</sup> century. But I do also promise: We will be very careful not to lose those on the way, who see themselves as disadvantaged by the changes and as losers of a globalised and digitalised economy.’<sup>473</sup>

Schröder also emphasised that he would not allow moves towards a European law on industrial takeover, which had been proposed by the European Commission. Again it became clear that for the German government there are clear limits to the liberalisation process within the EU. On the background of increasing domestic economic troubles, the Schröder administration refuses to give away too much national control over its economic policy to the European level:

‘Like any other country in the Community, we Germans also have the right to defend our well-perceived own interests in Europa (...) I have therefore strongly argued for bringing the interests of industrial policy in line with the European reform agenda (...) I am not willing to expose the German industry to an experiment of competition law of a “European law on industrial takeovers”, which only aims at a clear balance sheet.’<sup>474</sup>

Schröder confirmed this stance in an article on European industrial policy for the German issue of the *Financial Times* in April 2002, where he stressed the need to recognise the interests and concerns of employees in the process of economic modernisation:

‘We should recall, that solidarity and participation are also part of the models of our actions on economic policy’<sup>475</sup>

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<sup>473</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag zu den Ergebnissen des Europäischen Rates von Barcelona*, 21 March 2002, Berlin, [www.bundeskanzler.de/Findulin-Spiel-.8442.62515/a.htm?printView=y](http://www.bundeskanzler.de/Findulin-Spiel-.8442.62515/a.htm?printView=y).

<sup>474</sup> Ibid.

<sup>475</sup> ‘*Kommentar: Industriepolitik – eine Aufgabe für Europa*’, *Financial Times Deutschland*, 29 April 2002.

In spite of growing economic problems and spiralling unemployment, the Schröder administration has not yet found a clear line on its social and economic policy<sup>476</sup>. The German government seems to sway between holding on to the well-established and costly structures of the German economic model, and cautious attempts to initiate substantial reforms towards greater flexibility and competitiveness.

The post-2002 general election coalition agreement between the SPD and the Greens was not a big success in terms of substantial steps towards economic and social reform in Germany, and was accompanied by conflicting public statements on policy measures by members of the government. In terms of further reform on the EU level, the coalition agreement confirmed the fundamental German commitment to further market liberalisation in the areas of energy, capital markets (by 2003) and now also financial services (by 2005)<sup>477</sup>. Moreover, it called for greater harmonisation on taxation as well as well as enhanced effort to coordinate employment, economic, structural and industrial policies. The members of the eurozone would have to come to coordinated statements within the IMF, a proposal which would leave the British government out in the cold on certain decisions<sup>478</sup>.

The domestic economic problems in Germany could endanger the country's standing within the EU, if serious reforms of the German economy and social system continue to be postponed. So far, the Schröder administration has only made cautious steps towards a fundamental reform of the structures of the country's social system and has mainly concentrated on an austerity policy. There are hopeful signs that the Chancellor and his new economics minister, Wolfgang Clement, formerly Prime Minister of North Rhine-Westfalia, might finally undertake serious steps towards economic reform in order to get the German economy back on track. In a recent interview, Clement called for a fundamental reconsideration of the vested rights on all sides in Germany as a basis for the overdue reform of the German economic model.

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<sup>476</sup> See *Financial Times*, 'Germany's benchmark status under threat', 12 December 2002.

<sup>477</sup> 'Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie', Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, p. 80.

<sup>478</sup> Ibid.

Clement emphasised that under the present serious economic circumstances in Germany, everybody would have to be aware of their responsibility to send positive signals towards willingness to accept reform:

‘We need signals to set off for Germany and from Germany. Many are waiting for this, not only in Europe.’<sup>479</sup>

The UK would definitely support serious reforms of the German economy, as this would have implications for the whole of the EU and would ensure that Germany is not lost as a partner for economic liberalisation. The French government has already expressed its opposition to a German economic reform course. The French Prime Minister Raffarin criticised the German government’s austerity policy as ‘brutal’ and warned about negative implications for the whole of the EU<sup>480</sup>. The French have little sympathy for German and British calls for the reduction of trade barriers within the single market, as they consider it to endanger their freedom to exercise national economic policies.

The completion of the Lisbon agenda will consequently only be achieved, if Britain and Germany both remain leading partners in the process. Both countries will not abandon their traditional approach to economic reform as part of the process, but, like on institutional reform, they should be able to find a lot of common ground, if they accept the differences in each other’s domestic economic model.

Germany will only remain a leading voice in the economic and social reform debate if it can show the rest of Europe that it gets a grip on its ailing economy. This will demand fundamental structural reforms, which must not necessarily lead to the abolition of the consensual model of German capitalism. On the contrary, a reformed German economy could become a blueprint for the rest of Europe and it will definitely have to contain elements of the rather more flexible British example.

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<sup>479</sup> Interview with Wolfgang Clement, *Süddeutsche Zeitung*, 11 December 2002.

<sup>480</sup> *The Times*, ‘Raffarin hits out at ‘brutal’ German austerity policy, 12 December 2002.

It could be based on a mixture between the German emphasis on ‘the connection between initiative of one’s own and community spirit, individuality and solidarity’<sup>481</sup> and the British desire to achieve ‘greater financial market integration and a tougher pro-competition regime on products and takeovers’<sup>482</sup>.

The relatively successful British economic balance in comparison with the rest of Europe at present, gives the British government a strong asset in order to lead the debate on economic reform. The British influence would be even stronger on the issue, however, if Britain would be part of the eurozone, as it cannot expect to be able to influence reform steps in all areas of economic social policies (such as reform of the euro stability pact) as a non-EMU member.

Notwithstanding these fundamental challenges for the two countries, Britain and Germany can be expected to continue to push towards further liberalisation of the single market, especially in terms of external global trade. They will therefore continue to call for the abolition of protectionist practices and policies, such as the Common Agricultural Policy against member states, such as France, who favour the protection of vested rights in many areas<sup>483</sup>.

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<sup>481</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, Berlin, 29 October 2002, <http://www.bundestag.de/Regierungserklaerung-.8561.446416/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.

<sup>482</sup> Speech by the Chancellor of the Exchequer at the CBI national conference, Manchester, 25 November 2002, [www.hm-treasury.gov.uk/Newsroom and Speeches/Press/2002/press\\_122\\_02](http://www.hm-treasury.gov.uk/Newsroom_and_Speeches/Press/2002/press_122_02).

<sup>483</sup> British MP Gisela Stuart and British MEP Gary Tittley were both in agreement that the Lisbon agenda could only be pushed through, if Britain and Germany co-operated closely towards its realisation. Gary Tittley stressed that economic co-operation is more than likely ‘even though Britain and Germany had such a different economic culture’ (Interview with Gisela Stuart, 25 July 2002 and Gary Tittley, 1 March 2002.)

#### 4.4. Common Foreign and Security Policy

European defence and security is an area, where Britain and Germany have so far not lived up to the high expectations they had raised by the late 1990s. The Blair government's change of attitude towards CFSP in 1998 and the German government's new willingness to shed the constraints of the past and to fully engage the *Bundeswehr* in military conflict resolution in Kosovo in 1999 and Afghanistan in 2001 made it likely that both countries would co-operate strongly on the issue. Based on the Anglo-French declaration on European defence of December 1998<sup>484</sup>, the British Prime Minister had taken on a leading role in the discussion about the development of a European defence and security framework for the EU. The tragic events of the Kosovo crisis in 1998/99 had made the EU leaders realise that, without U.S. support, they did not possess adequate military means and the surrounding political framework, in order to solve a crisis in their own backyard. In contrast to the traditional reluctance of British Prime Ministers to consider the notion of a common defence and security policy for Europe, Tony Blair became the leading advocate for a European crisis reaction force and an efficient CFSP framework that would go with it. Blair had made it clear from the outset, that he did not want to create a European army as an alternative to NATO, but was rather interested in strengthening the European pillar within NATO by providing it with the necessary military and political capability.

At the informal EU summit at Pörtlach in October 1998, where EU leaders discussed defence and security issues, Blair made clear that the Europeans had to take on greater responsibilities for their own defence and security within NATO:

'(...) We need to make sure that that institutional mechanism in no way undermines NATO but rather is complementary to it, we need to recognise that that will mean changes in our own defence capability and we also need the political will to back up whatever we do.'<sup>485</sup>

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<sup>484</sup> Joint declaration issued at the British-French summit, Saint Malo, France, 3-4 December 1998, [www.fco.gov.uk/news/newstext.asp?1795](http://www.fco.gov.uk/news/newstext.asp?1795).

<sup>485</sup> Tony Blair press conference at the informal European summit, Pörtlach, 24/25 October 1998, [www.weu.int/institute/chailot/chai47e.html](http://www.weu.int/institute/chailot/chai47e.html).

Based on the British-French proposals for a European force, which could react militarily to any evolving crisis, the EU had decided to initiate the Rapid Reaction Force at the December 1999 summit in Helsinki. The Rapid Reaction Force, which will be set up by 2003 out of between 50,000 and 60,000 troops from participating European states (including non-EU members), should act as a rapid deployment force within 60 days in case of a crisis<sup>486</sup>. All EU member states (except Denmark) will participate in the force and it will act rather as a complementary than a rival force to NATO. The Helsinki presidency conclusions emphasise that the purpose of the RRF is

‘to develop an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises.’<sup>487</sup>

Although the creation of the RRF marks a significant step forward in the move towards a greater European defence and security identity, an issue which had been repeatedly put aside since the failure to create the European Defence Community in 1954, it is only a first step towards a proper CFSP for the EU. Both the British and the German government have therefore repeatedly underlined that, the EU would have to work towards the creation of a proper foreign and security policy on the basis of the RRF.

The British Prime Minister had already indicated before the Helsinki decisions that the outcome of the debate about European defence and security would have to produce a much more substantial outcome than simply a crisis deployment force:

‘(...) It is only a start. There is much talk of structures. But we should begin with capabilities. To put it bluntly, if Europe is to have a key defence role, it needs modern forces, strategic lift, and the necessary equipment to conduct a campaign. No nation will ever yield up its sovereign right to determine the use of its own armed forces. We do, however, need to see how we can co-operate better,

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<sup>486</sup> See Helsinki European Council presidency conclusions, 10/11 December 1999, <http://ue.eu.int/Newsroom/related.cfm?NOREFRESH=1&MAX=1&BID=76&GRP=2186&LANG=1>.

<sup>487</sup> *Ibid*, section II, paragraph 27.

complement each other's capability, have the full range of defence options open to us. This also means greater integration in the defence industry and procurement. If we were in any doubts about this before, Kosovo should have removed them.'<sup>488</sup>

During his conference speech at the annual Labour Party conference in September 1999, Blair clarified the British role in the debate on CFSP, when he claimed that the UK would use its leading role on the issue in order to act as a guardian over the transatlantic link between the EU and NATO. By promoting both the strengthening of the European defence and security identity, and maintaining the close bilateral relations with the U.S., the British government would therefore try to safeguard the link between European and American interests:

'There is no choice between Europe and America. Britain is stronger with the US today because we are strong in Europe. Britain has the potential to be the bridge between Europe and America and for the 21<sup>st</sup> century (...)'<sup>489</sup>

For the British government the new openness towards a Common European Foreign and Security Policy was thus clearly based on then necessity to maintain the link with NATO. Any notion that the RRF and a CFSP could become an alternative to NATO, an intention which France subliminally continues to pursue<sup>490</sup> would be unacceptable for the British.

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<sup>488</sup> Speech by the Prime Minister on the occasion of the acceptance of the Charlemagne Prize, 20 May 1999, [www.number-10.gov.uk/output/page922.asp](http://www.number-10.gov.uk/output/page922.asp).

<sup>489</sup> Tony Blair's speech at the annual Labour conference 1999, 28 September 1999, [www.guardian.co.uk/Print/0,3858,3906870,00.html](http://www.guardian.co.uk/Print/0,3858,3906870,00.html).

<sup>490</sup> The then French Prime Minister Lionel Jospin stressed the political aspects of the RRF in terms of defining European interests against those of the U.S.: 'Europe is now acquiring a rapid reaction force within a permanent political and military institutional structure. The Union now needs a comprehensive doctrine on intervention and use of this force (...) At the same time, Europe must define its long-term defence strategy in line with its own interests and in compliance with its alliances. This means, in particular, that it must have a consistent position on the controversial missile shield initiative taken by the United States.' ('On the future of an enlarged Europe', Speech by French Prime Minister Lionel Jospin, 28 May 2001, [www.premier-ministre.gouv.fr/en/p.cfm?ref=24924](http://www.premier-ministre.gouv.fr/en/p.cfm?ref=24924) (2001).)

The German government takes a similar stance. In spite of Germany's traditional closeness to France, the red-green coalition in Berlin had never at any time in its period in office tried to challenge the transatlantic link between the EU and NATO. On the contrary, the German government did not grow weary of emphasising that the strengthening of the EU's foreign and security identity could only take place as part of a strong transatlantic alliance. In contrast to the widespread expectations of many among the left in the Green Party, the first coalition agreement between the SPD and the B90/Green Party underlined the continuing crucial importance of NATO for Europe's security:

'The participation of the United States of America through the Alliance and their presence in Europe remain preconditions for security on the continent.'<sup>491</sup>

Complementary to that, the Schröder/Fischer administration had always promoted the deepening of the CFSP pillar of the EU, based on increasing decision-making by Qualified Majority Voting:

'The new federal government will make efforts to develop the CFSP in the spirit of enhanced pooling of foreign and security policy further. It will therefore push towards majority voting, greater foreign policy competences and the strengthening of the European defence and security identity.'<sup>492</sup>

When the discussion on the EU's role in the settling of the crisis in Kosovo was in full force, Foreign Minister Fischer told the French national assembly unambiguously that, in spite of its strong support for a stronger CFSP identity for the EU, the German government would not support any attempts to weaken NATO:

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<sup>491</sup> *Koalitionsvereinbarung zwischen der Sozialdemokratischen Partei Deutschlands und Bündnis 90/Die Grünen*, 20 October 1998, chapter 3, [www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm](http://www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm).

<sup>492</sup> Ibid.

'The collective defence will continue to remain NATO's task and – as SFOR shows in Bosnia- the alliance also plays an important role in terms of crisis management. But the EU also has to develop the ability for its own military crisis management, whenever need for action arises from the point of view of the EU/WEU and the North American partners do not want to take part.'<sup>493</sup>

Defence minister Scharping issued a strong warning that the strengthening of Europe's capability to act should not be allowed to lead towards the weakening of the transatlantic alliance. On the contrary, Scharping called for the strengthening of the transatlantic ties within NATO as part of the restructuring of European defence and security and rejected the need to create new independent European command or planning structures:

'We want to strengthen the transatlantic link further. It continues to remain the crucial stay of a policy, which is aimed at peace, security and democracy in the whole of the Euro-Atlantic area in the future. It would be an illusion and a dangerous mistaken belief to assume that a Europe with greater capability to act would reduce the meaning of the new NATO and our American allies for European security (...) We also do not want any independent European planning process for the military forces as competition for the forces management of NATO (...).'<sup>494</sup>

Like for the British government, the main emphasis as a result of the lessons of Kosovo consequently was put on making up for the lack of European military and political capabilities which would enable them to act independently in a crisis, should NATO choose not get involved. For Germany, which had finally shed the constraints of limited military engagement from its semi-sovereign past, it was almost natural that the Kosovo experience would lead towards the deepening of European multilateral efforts on defence and security.

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<sup>493</sup> *Rede des Bundesministers des Auswärtigen Joschka Fischer in der französischen Nationalversammlung, Paris, 20 January 1999, [www.auswaertiges-amt.de/6\\_archiv/99/r/R990120a.htm](http://www.auswaertiges-amt.de/6_archiv/99/r/R990120a.htm).*

<sup>494</sup> *Rede des Bundesministers der Verteidigung, Rudolf Scharping, anlässlich der XXXVI. Internationalen Konferenz für Sicherheitspolitik, Munich, 5 February 2000, [www.bundesregierung.de/dokumente/Artikel/ix\\_9116.htm](http://www.bundesregierung.de/dokumente/Artikel/ix_9116.htm).*

As shown in chapter 2, Germany had traditionally pursued a multilateral foreign and security policy after the end of the Second World War. This had been the only way for Germany to regain international standing as a credible peaceful and democratic nation. The strong German support during the 1990s for a greater multilateralisation of Europe's defence and security within a Common Foreign and Security Policy framework was consequently a logical next step. Germany could however only credibly advocate the deepening of the EU's defence and security framework once it was ready to fully engage in military crisis management. The fact that the Schröder administration used the Kosovo crisis to end Germany's policy of semi-engagement in military terms, had turned Germany into almost the natural advocate of the deepening of CFSP:

'The determination of the Europeans, to do more, is a consequence of the European weakness, which we had clearly been made aware of during the military operation in Kosovo, when the major part of the military risks and responsibility lay on the part of the U.S. (...). The Europeans, who almost had to be forced into the creation of a co-operative international order by American statesmen after the war, today promote the advantages of multilateralism towards the U.S. Especially for Germany, in the face of its geographical position and its historic experience, a multilateral foreign policy has become a leitmotif. The European capabilities for crisis management therefore have to be expanded consistently as part of the Common Foreign and Security Policy, but – the federal government will strongly push towards this – in a way which is transparent for the U.S. and compatible to NATO.'<sup>495</sup>

Because with Britain and Germany, two of the larger member states were in agreement that the RRF and a possible accompanying Common Foreign and Security Policy should not be allowed to weaken the European commitment to NATO, great expectations had been raised. It was widely expected that the Helsinki decisions would be followed by more concrete steps on CFSP. The terrorist attacks on the U.S. on September 11<sup>th</sup> 2001 made the EU member states' commitment to make greater efforts to provide for their own security even more likely.

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<sup>495</sup> Rede des Bundesministers des Auswärtigen Joschka Fischer auf der 36. Münchener Konferenz für Sicherheitspolitik, 5 February 2000, [www.bundesregierung.de/dokumente/Artikel/ix\\_9117.htm](http://www.bundesregierung.de/dokumente/Artikel/ix_9117.htm).

With the post-September 11<sup>th</sup> U.S. foreign policy focused on a global war against terrorism, it would be even more crucial for the Europeans to finally to settle their national differences and come to a coordinated approach to world affairs. When the immediate shock about the attacks had started to gradually settle and a discussion about the political implications emerged, it looked promising that the EU leaders would try to push forward the issue of CFSP. Especially Britain and Germany, which had both shown unambiguous military and political support for the war on terror in Afghanistan in the wake of September 11<sup>th</sup>, were expected to lead the agenda on the development of enhanced mechanisms of co-operation on foreign and security issues in the EU.

The red-green coalition had, in contrast to widespread expectations, managed to maintain its foreign policy course on the Afghanistan issue. It was thus able to commit *Bundeswehr* forces to the military operation in Afghanistan in December 2001, after Chancellor Schröder had linked the issue with a vote of confidence in parliament. This showed that Kosovo was had not a one-off, but that Germany had seriously changed its foreign policy and was now fully committed to multilateral international crisis management as part of NATO and based on U.N. mandates.

As a result, in principle no major hurdles stood in the way of Germany exercising a leadership role on the issue of CFSP in the EU. Immediately after September 11<sup>th</sup>, it looked as if Germany would be ready to take on such a leadership role, as the Schröder administration did not grow weary of publicly emphasising the importance to create 'a common voice' for Europe in the post-September 11<sup>th</sup> global security environment. Both the German Chancellor and Foreign Minister focused on the need to create an enhanced identity for Europe in terms of foreign and security policy:

'Especially now, Europe has to speak with one voice (...). Our goal has to be to integrate as many countries as possible into a global system of security and prosperity.'<sup>496</sup>

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<sup>496</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag zu den Anschlägen in den USA*, Berlin, 19 September 2001, [http://www.bundesregierung.de/emagazine\\_entw.-56381/Regierungserklaerung-von-Bunde.htm](http://www.bundesregierung.de/emagazine_entw.-56381/Regierungserklaerung-von-Bunde.htm).

‘September the 11<sup>th</sup> has led to a shift of the axis and we Europeans have to be careful not marginalized. We therefore have to create a European Union with the capability to act. The weaknesses of today’s Europe have after all been exposed in the glaring light of the terrorist attack of September 11<sup>th</sup>. If we remain separated, we will not be able to fulfil our role in the world and in terms of shaping it (...) We therefore are only left with the alternative to move closer to one another, in spite of all the differences that come with it. Under the pressure of the circumstances, Europe has always moved in the right direction. Crisis pressure from outside works.’<sup>497</sup>

By the end of 2001, a strong consensus between Britain and Germany on the need to create a proper Common Foreign and Security Policy for the EU seemed to exist.

At the SPD party conference in Nuremberg in November 2001, the British Prime Minister and the German Chancellor were in full agreement about the need to provide joint leadership on the issue. Tony Blair especially welcomed in this respect that Germany had shown a clear commitment to the military campaign against terrorism in Afghanistan, which would enable the UK and Germany to work towards a defence and security identity for the EU. Blair even called for a German seat in the U.N. security council, in order to be able to come to British-German co-operation on a more global scale:

‘Since the 11<sup>th</sup> September atrocity, Germany has shown real leadership (...). We both want to see the instruments of international governance made more effective. That requires reform of the United Nations where I hope that before too long Germany will take the seat on the Security Council that on merit it deserves. We need also more than ever a meaningful European security and defence identity, fully compatible with NATO but able to act where the Americans decide not to be involved but where Europe has a clear responsibility (...). The biggest contribution we can make together is to a stronger more effective European Union.’<sup>498</sup>

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<sup>497</sup> ‘Wir müssen die Terroristen bekämpfen und besiegen’, Interview with Joschka Fischer, *Süddeutsche Zeitung*, 18 October 2001.

<sup>498</sup> Speech by Tony Blair at the SPD party conference, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002017/index.html>.

The German Chancellor strongly supported the British position on the issue when he stressed that his government wanted to create a European Common Foreign and Security Policy as an integral part of the transatlantic alliance and not as an independent pillar outside NATO:

‘The key word is: a foreign and security policy identity, it is thus about creating a Common Foreign and Security Policy in and for Europe (...). What it is about is to create European common ground, which is an important cornerstone within the Atlantic, the transatlantic partnership and within NATO and which consequently does not weaken the Alliance, but strengthens it (...) It is hence about a European Foreign and Security Policy – within NATO and in order to strengthen it – and not at all in the place of NATO.’<sup>499</sup>

The resolution on German foreign policy at the party conference stressed that the role of NATO as the indispensable basis for European security and ‘the crucial political and institutional link for the Euro-Atlantic Community of democratic nations’<sup>500</sup> would have to be maintained. At the same time, the resolution called for the creation of a European Common Foreign and Security Policy, which would include a comprehensive security concept with military, economic, social and ecological elements. Through a crisis prevention policy, based on enhanced military and civilian resources, the EU would have to be able to settle local conflict and crises. This would also have to include a substantial structural reform of the *Bundeswehr* in order to be able to become more efficient in terms of crisis intervention<sup>501</sup>.

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<sup>499</sup> *Rede des SPD-Parteivorsitzenden, Bundeskanzler Gerhard Schröder zum Themenbereich Außen- und Sicherheitspolitik*, SPD-Bundesparteitag, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002034/index.html>.

<sup>500</sup> *‘Internationale Kooperation und Verantwortung – Leitlinien zur Außen- und Sicherheitspolitik’*, motion for the SPD *Bundesparteitag*, Nuremberg, 19-22 November 2001, p. 48, <http://www.spd.de/servlet/PB/show/1010138/beschlussbuch.pdf>.

<sup>501</sup> *Ibid*, p. 49.

Britain and Germany were therefore closer on the issue of European foreign and security than ever before. In contrast to the high expectations raised at the time, little progress has been made in the area since September 11<sup>th</sup>. Although the Rapid Reaction Force will now definitely be established by 2003<sup>502</sup>, the political declarations of intent on both the British and the German side have been watered down by lack of practical progress. The successful completion of the military operation in Afghanistan has not led to greater unity and coordination of the EU member states' national foreign and defence policies. On the contrary, the debate on Common Foreign and Security Policy in 2002 has been dominated by national egoisms and domestic constraints, rather than by a spirit of common action.

This is especially the case with regard to Britain and Germany. Although both countries continue to publicly advocate the development of a Common Foreign and Security Policy, they have gone separate ways in its pursuit. After Afghanistan the British government has mainly focused on its bilateral relationship with the U.S., while the German government has so far only paid lip service to its commitment to reform the *Bundeswehr*.

In the debate about possible military action against Iraq, Britain and Germany have found themselves on two opposing ends, with the UK basically supporting military action<sup>503</sup> and the German Chancellor having determined that it would not participate in any military operation against Iraq<sup>504</sup>.

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<sup>502</sup> See Copenhagen EU Council presidency conclusions, 12/13 December 2002, chapter III, pp. 7, <http://ue.eu.int/newsroom/LoadDoc.asp?BID=76&DID=73774&from=EuropeanCouncil&LANG=1>.

<sup>503</sup> The British Prime Minister stressed in his annual speech at the 2002 Labour Party conference that Britain would join a military campaign against Iraq, if Saddam Hussein does not comply with the U.N. resolution, asking him to get rid of all weapons of mass destruction and to fully open his country for U.N. weapons inspections: 'If at this moment having found the collective will to recognise the threat we lose our collective will to deal with it, then we will destroy not only the authority of America or Britain but of the United Nations itself. Sometimes and particular dealing with a dictator, the only chance for peace is a readiness for war.' ('At our best when at our boldest', Speech by Tony Blair, Prime Minister and Leader of the Labour Party, Labour Party Conference, Blackpool, 1 October 2002, [www.labour.org.uk/tbconfspeech](http://www.labour.org.uk/tbconfspeech)).

<sup>504</sup> Schröder had turned the question of German participation in an U.S.-led attack on Iraq into a major issue during the final weeks of his 2002 general election campaign. Already in August, Schröder pointed out that under his leadership, Germany would not participate in a military operation against Iraq in any form, as this would lead to greater instability in the Middle East: 'The Middle East needs new peace and not a new war. Our policy is committed to that goal. And this alone does justice to the political and economic necessities. Anything else would deepen the crisis of the global economy and

With regard to the debate on Iraq and the resulting accusation that Britain would increasingly act as the United States' 'poodle'<sup>505</sup>, instead of exercising a bridge function between Europe and America, the Prime Minister has made clear that British engagement in Europe must not be allowed to hamper strong bilateral relations with the U.S.:

'I think that it was right for this country to stand shoulder to shoulder with America post-11 September, I think it is right for Britain to be a close ally of America and I think it is right for us as a country to say to our European partners, we are a changed government in respect of Europe, we are pro-Europe, we are in favour of Europe, but it should never be at the expense of our relationship with the United States, not the British relationship, not the European relationship.'<sup>506</sup>

The issue of Iraq shows that the UK, when in doubt, still rather chooses to come to an agreement with the U.S. position rather than to consult its partners within the EU in order to come to a coordinated stance on global issues. As a result, Iraq has made obvious that the political declarations of intent on the CFSP issue in reality still amount to nothing concrete. The European discord on Iraq is the result of a lack of political will on the side of all member states to overcome their national preferences for the sake of the common goal of creating a European CFSP identity. In this respect, the British support for the U.S. position poses a catch-22 for the other member states. They are split between those who choose to either follow the British and U.S. hardline position on Iraq, or like in the German case, fundamentally oppose it.

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also only cause economic problems for us.' (*Schröder schließt deutsche Beteiligung an möglichem Angriff auf den Irak aus*, German government press release, 11 August 2002, <http://www.bundestkanzler.de/Pressemitteilungen-7717s3.htm>). The German Foreign Minister stressed that an attack on Iraq would lead to 'a completely restructuring of the Middle East, not only in military, but especially in political terms' and that 'we Europeans as immediate neighbours of this region would have to bear the fatal consequences' (*Ich sehe keine Verbindung zwischen Irak und Al-Quaida*, Interview with Joschka Fischer, *Süddeutsche Zeitung*, 6 August 2002).

<sup>505</sup> Hugo Young accused the British government of following any American military adventure only to maintain the supposed political influence in Washington: '(...) the convenient rationale, now much heard in Whitehall, that Britain has a selfless duty to act alongside the US in its military ventures precisely in order to show the world that Washington is not alone? Is that what we have come to? To be America's badge of multilateralist pretence? As the price of access to the Pentagon, it appears to important people worth paying.' (*The Guardian*, 'Why our leaders love to get cosy with Washington', 3 September 2002).

<sup>506</sup> Press Conference by Prime Minister Tony Blair, 20 June 2002, [www.number-10.gov.uk/output/Page5390.asp](http://www.number-10.gov.uk/output/Page5390.asp).

For the creation of a CFSP this is fatal, as an essential precondition would be a willingness on all sides to coordinate national foreign policies on major issues.

On the Iraq issue, the Blair administration has therefore failed to provide the leadership that would have been necessary in order to fulfil the bridge function between the EU and the U.S. it had originally strived for. Iraq shows that the British government follows the false assumption that the other EU member states would basically share the British obedience towards U.S. strategic interests and would therefore almost automatically provide the UK with a leadership position on defence and security issues within the EU. This was clearly shown when foreign secretary Jack Straw recently called on the rest of Europe to settle its differences with the U.S.:

‘The truth is that all European nations have ties of family, friendship and culture with the US, which are often as close as those we enjoy with each other (...).

We should conduct our relations with the U.S. on the same basis. Our fundamental interests are the same. We have everything to gain from continuing a robust, confident partnership in the future.’<sup>507</sup>

The British government fails to notice that its continuing closeness towards the U.S., even on the most controversial issues like Iraq, is perceived by many EU partners as proof that Britain remains the ‘exclusive Albion’, which still values its bilateral relationship with the Americans much higher than any commitment to European unity. Again, amongst those of the British political elite, who work on the EU level, this is much more recognised than on the British government level.

Asked about the present British relations with the U.S., the leader of the British Labour MEPs in the European Parliament pointed out to me that in terms of the traditional British-American closeness on international issues, ‘Iraq is another matter’.

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<sup>507</sup> ‘EU-US relations: the myths and the reality’, Speech by Foreign Secretary Jack Straw at the Brookings Institute, Washington, 8 May 2002, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1020868115823>.

Titley emphasised that, although it would generally have to be welcomed that the government attempted to co-operate with an even less pro-European U.S. administration like the one of George W. Bush, British military involvement in an attack on Iraq could cause serious problems for the rest of Europe<sup>508</sup>.

The Liberal Democrat MEP Nick Clegg underlined his belief that the Prime Minister would live under ‘a comfortable illusion’ if he thought that he could be ‘America’s closest ally in Europe and also trusted in Europe’, especially with regard to Blair’s rather uncritical attitude towards U.S. foreign policy. Clegg called for a clear choice, which would be either between greater involvement in the building up of a European Foreign and Security Policy or a continuing focus on the U.S.<sup>509</sup>.

The British Prime Minister himself appears to remain convinced that the British support for possible military action against Iraq will not hamper relations with the rest of the EU. Quite the opposite, Blair insists that in the long run, Europe will come together on the issue of Iraq:

‘(...) There is all this talk about Britain and America and whether we are too loyal towards America, to me that is a concept from people who aren’t thinking the thing through. These issues are being raised rightly by the United States, they are raised by us too (...). But America shouldn’t be left to face these issues alone, the rest of the world has a responsibility, not just America to deal with this. And if Britain and if Europe want to be taken seriously as people facing up to these issues, too, then our place is facing them with America, in partnership with America.’<sup>510</sup>

The Schröder administration, in contrast, sticks to its opposition towards any involvement in a military attack against Iraq.

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<sup>508</sup> Interview with Gary Titley, MEP, Manchester, 1 March 2002.

<sup>509</sup> Telephone interview with Nick Clegg, Liberal Democrat MEP, 21 March 2002.

<sup>510</sup> Prime Minister’s Press Conference, 4 September 2002, <http://www.pm.gov.uk/output/Page6006.asp>.

In this respect, the German Chancellor however also strongly denies any anti-American tendencies in his administration<sup>511</sup> and stresses that the opposition towards the U.S. policy on Iraq is solely based on political reasons. In terms of the impact of the British-German disagreement on the American position on Iraq, Schröder calls for greater coordination of national positions on foreign policy issues:

‘In the case of Iraq we consider the setting of priorities to be wrong and we will therefore not take part militarily (...). Above that, I hope that the Iraqis fully comply with the resolution and a war can be avoided (...). For me it seems to be important that greater common ground is being developed with regard to Europe. There will of course always be situations, where this is not possible, because of very specific relationships like for example between the U.S. and Britain. What we attempt here, is a renunciation of national sovereignty on the possibly most sensitive issue for the nation states, which exists, namely the question of the right of disposal over foreign policy.’<sup>512</sup>

The Schröder statement on Iraq and the implications for the creation of a Common Foreign and Security Policy also show the fundamentally different approach, which hampers British-German co-operation on the issue. While the British government insists that foreign policy is an issue which has to remain in the hands of sovereign national governments, the German government wants to see foreign policy increasingly turned into a Community issue:

‘The European Union has to increase its ability to act on foreign policy matters. In the area of the Common Foreign and Security Policy (CFSP), decisions should in principle be reached by Qualified Majority Voting. The foreign policies of the EU and the member states have to be meshed better.’<sup>513</sup>

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<sup>511</sup> He was already keen to avoid this impression when he sacked the former minister of justice, Herta Däubler-Gmelin, after she had compared Bush’s policy on Iraq with that of Adolf Hitler in the final days of the election campaign (*The Guardian*, ‘Close finish predicted in German elections’, 22 September 2002).

<sup>512</sup> Interview with Chancellor Schröder, *Die Zeit*, 28 November 2002.

<sup>513</sup> ‘Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie’, Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, p. 78.

In this respect, the British Prime Minister has made it absolutely clear that his government would not agree to the communitisation of national control over defence and security. Blair underlined, that from the British point of view these areas would have to continue to be decided by the member state governments in the Council:

‘I favour the strengthening of European foreign policy, step by step, from the Balkans, to Europe’s “near abroad” and then beyond. In this area, however the lead responsibility should remain with the Council of Foreign Ministers. Britain cannot agree to the communitisation of defence or foreign policy. It is not practical or right in principle. Foreign policy can only be built by gathering a consensus among the Member States who possess the resources necessary to conduct it – the diplomatic skills, the bulk of aid budgets, and of course the armed forces.’<sup>514</sup>

Foreign secretary Jack Straw clarified in his latest examination before the Foreign Affairs committee of the House of Commons on the NATO summit in Prague, that the British government would under no circumstances agree to decide foreign and security issues by QMV. Straw stressed that a sovereign state would have to remain in full control over the deployment of its forces and could not hand it over to some supranational authority. Moreover, and probably more important in terms of the British stance on European defence and security, Straw pointed out that the British government continues to consider NATO as more important than any European defence identity:

‘You cannot have QMV on intergovernmental matters. We cannot have decisions about where we send our forces determined by other countries. Full stop. Let us be clear about that. It is not a red line, it is a huge red wall (...) The crucial thing is, two things, one is that as an independent sovereign state we have to decide, the United Kingdom government and Parliament, on the deployment of our troops.

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<sup>514</sup> ‘A clear course for Europe’, Speech by the Prime Minister to an audience in Cardiff, 28 November 2002, [www.number-10.gov.uk/print/page6710.asp](http://www.number-10.gov.uk/print/page6710.asp).

The second thing is, (...) in these matters our alliance with NATO has to be the superior alliance in terms of defence.<sup>515</sup>

The British government's continuing focus on NATO as the main guarantor of security in Europe is also shown in the British demand to put the European Rapid Reaction Force under NATO command, every time the RRF makes use of NATO assets<sup>516</sup>. Under the current circumstances, this would leave the RRF under NATO control most of the time, as the EU member states are lacking essential military capacities. They will therefore, at least for the foreseeable future, strongly depend on NATO equipment in order to make the RRF effective.

Although the desire to maintain a strong link with NATO is shared by the German government, the British position shows that the Blair administration still has doubts about the European's willingness to get their act together on defence and security. The British government therefore prefers to deal with fundamental defence and security issues within NATO and is not at all ready to abandon the unanimity principle as part of a stronger European defence and security identity. From the British point of view, the notion of an integrated European foreign policy, possibly represented by an EU Foreign Minister, is consequently not even worth considering. Apart from the national sovereignty issue, the main reason behind this is a profound British distrust about the EU partner's willingness to support their political declarations of intent on defence and security by concrete financial resources. Labour MP Gisela Stuart stresses in this respect that the British side is becoming increasingly impatient with the continental Europeans' lack of commitment in order to provide the necessary structural reforms and financial backing for their national forces. Stuart calls especially on Germany, as a crucial member state, to undertake fundamental reforms of the structure of the *Bundeswehr*:

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<sup>515</sup> House of Commons Foreign Affairs Select Committee, Examination of Witnesses, uncorrected evidence, Mr Jack Straw, Secretary of State, Mr Peter Ricketts, CMG, Political Director, Foreign and Commonwealth Office and Air Commodore Dick Lacey, NATO director, Ministry of Defence, Prague NATO summit, 19 November 2002, questions 26, 27 and 28, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmfa/uc066-i/uc06601.htm>.

<sup>516</sup> Ibid, question 17.

‘(...) Although the European Common Foreign Security Policy is so highly developed, we still need agreement from Colin Powell. So it’s one of those areas where it can actually get me really, really angry. And the reason why I do is because there is a lot of posturing going on (...). What the Europeans will now have to get up to is to get real on this thing. Which is one thing – start coming up with the finances, anything like in the German case, it is necessary to have Bundeswehr reform, so get on with it.’<sup>517</sup>

The strong support for the development of a European Common Foreign and Security Policy with an integrated crisis reaction force as part of NATO on the part of German government is therefore not taken seriously in the UK, as long as Germany neglects its defence sector and fails to prepare the *Bundeswehr* for new tasks. The Blair administration has repeatedly criticised other EU member states for not providing adequate financial resources for their troops and for thus failing to enable them to take part in efficient crisis management as part of the RRF:

‘We in the UK spend more on defence than any other EU ally, in absolute terms and as a percentage of GDP. But I certainly accept that spending just 1.5% of GDP on defence, as some other European allies do, is simply not enough to make a proper contribution.’<sup>518</sup>

Especially Germany, the leading advocate of the deepening of CFSP in the EU, has a poor record in this respect. While it struggles with a severe economic and financial crisis, it has neither managed to provide sufficient funds for a better equipment of its national forces, nor managed to push through a much needed reform of the *Bundeswehr*, which is still stuck in the structure of its pre-1990 role as a *Verteidigungsarmee* (‘defence army’).

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<sup>517</sup> Interview with Gisela Stuart MP, House of Commons, 25 July 2002.

<sup>518</sup> ‘EU-US relations: the myths and the reality’, Speech by Foreign Secretary Jack Straw at the Brookings Institute, Washington, 8 May 2002, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1020868115823>

While other EU member states, like France, have managed to transform their armies from conscription into professional forces after the end of the Cold War, the German government gives out conflicting signals on this issue. Immediately after its narrow September 2002 election victory, the red-green coalition announced that conscription would have to be reconsidered as part of a fundamental reform of the German army by the end of this parliament:

‘In order to do justice to the changes in international politics and in the national context, a revision and further adaption of the conscription will take place in the coming parliament. As part of this, conscription remains and will not be adjourned. It will however be put to the test and brought into line with new tasks (...).’<sup>519</sup>

More recently, the new German defence minister Peter Struck has however indicated that the government would stick to the principle of conscription as part of a reform of the *Bundeswehr*<sup>520</sup>.

Should this be the case, it would seriously weaken Germany’s influence on the European defence and security agenda, as a conscription army will certainly not be prepared to fulfil the tasks which are essential as part of a European rapid crisis deployment force. This could only be done by a slimmer, more professional force. And at present the *Bundeswehr* is nowhere near achieving that goal, mainly due to lack of political leadership on the issue. This is also recognised on the British side. Foreign secretary Jack Straw pointed out that the British government considers it to be essential for a European defence and security capability that member states move away from the principle of conscription as part of a transformation of their armies from defence into crisis reaction forces:

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<sup>519</sup> ‘Wehrpflicht auf dem Prüfstand’, German government press release, 8 October 2002, <http://www.bundesregierung.de/index-413.443108/Wehrpflicht-auf-dem-Pruefstand.htm>.

<sup>520</sup> *Süddeutsche Zeitung*, ‘Struck: Abschied vom Vorrang der Landesverteidigung’, 5 December 2002, see also statement by Peter Struck during the *Bundestag* debate on the 2003 budget, where the defence minister confirmed that conscription ‘on my opinion remains without alternative for the readiness for action, efficiency and the profitability of the *Bundeswehr*.’ (‘Keine Reform der Reform’, *Punktation des Bundesministers der Verteidigung, Dr. Peter Struck, anlässlich der 1. Lesung des Bundeshaushaltes 2003 im Deutschen Bundestag*, 4 December 2002, Berlin, [www.bmvg.de/archiv/reden/minister/print/021204\\_bundestag\\_haushalt.php](http://www.bmvg.de/archiv/reden/minister/print/021204_bundestag_haushalt.php))

‘They [conscript armies] may be able to fight an invasion, a traditional land invasion, but they are not particularly good for the kind of demands being made now of military forces. You can do more for the same amount and you can do more for less but we want to see an increase in their spending also.’<sup>521</sup>

The spending issue is the other crucial hurdle which will define Germany’s future influence in the debate about Common Foreign and Security Policy in the EU. The red-green coalition does not grow weary of publicly committing itself to a stable financial framework, which would enable the *Bundeswehr* to fulfil its new international duties. The 2002 red-green coalition agreement states that, as part of a reform of the *Bundeswehr* towards greater efficiency, the government will come to a constant revision of the cost-effectiveness of the forces in terms of their international duties. The main emphasis for the financial planning in the military sector would have to be focused on making sure that the *Bundeswehr* can be an effective part of a flexible, modernised European defence capability within NATO:

‘The future spectrum of tasks for the *Bundeswehr* is essentially determined by the developments in terms of security policy and the change of the *Bundeswehr* to an army in action (...). Modern, well-equipped and rapidly available forces are needed for this. Their modernization has to strengthen the integrated European capabilities in NATO and the EU. The weighting of these tasks fundamentally characterises the future role and the material equipment of the *Bundeswehr*.’<sup>522</sup>

It has become clear however that, under its present financial constraints, the German government has only limited resources available to substantially increase expenditure on the national defence sector. Germany still spends substantially less on defence than other EU member states, especially Britain, which is shown in the financial planning

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<sup>521</sup> House of Commons Foreign Affairs Select Committee, Examination of Witnesses, uncorrected evidence, Mr Jack Straw, Secretary of State, Mr Peter Ricketts, CMG, Political Director, Foreign and Commonwealth Office and Air Commodore Dick Lacey, NATO director, Ministry of Defence, Prague NATO summit, 19 November 2002, questions 58 and 59, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmfaaff/uc066-i/uc06601.htm>.

<sup>522</sup> ‘*Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie*’, Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, p. 76.

for the year 2003, where Germany allocates £18.27 billion for defence<sup>523</sup>, compared to £24 billion in 2002-2003 British budget<sup>524</sup>. The German government justifies this continuing neglect of the national defence sector by pointing out that with 10.000 soldiers, Germany deploys the largest amount of troops worldwide after the United States<sup>525</sup>.

In order to make up for its refusal to take part in any military action against Iraq, the German government has committed the *Bundeswehr* involvement in Afghanistan for another year<sup>526</sup> and has also declared its readiness to take over the joint leadership of the international force in Afghanistan with the Netherlands<sup>527</sup>.

In the short term, it is rather unlikely that the German government will spend substantially more on defence, in spite of severe criticism from the opposition<sup>528</sup> and also amongst the government's own supporters<sup>529</sup>. The German defence minister has

<sup>523</sup> Source: *Bundeshaushalt 2003, Bundesfinanzministerium*, <http://www.bundesfinanzministerium.de/Finanz-und-Wirtschaftspolitik/Bundeshaushalt-433.15292/Bundeshaushalt-2003-Tabellen-und-Uebersichten-St...htm>.

<sup>524</sup> Source: HM Treasury, government spending by functions, [www.hm-treasury.gov.uk/mediastore/images/ACF1FA.gif](http://www.hm-treasury.gov.uk/mediastore/images/ACF1FA.gif).

<sup>525</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, Berlin, 29 October 2002, <http://www.bundeskanzler.de/Regierungserklaerung-8561.446416/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.

<sup>526</sup> This was decided by the German *Bundestag* on December 20<sup>th</sup> 2002, see '*Bundeswehr für ein weiteres Jahr in Afghanistan*', German government press release, 20 December 2002, <http://www.bundesregierung.de/Nachrichten-417.452580/Bundeswehr-fuer-ein-weiteres-J.htm>.

<sup>527</sup> '*Deutschland will ISAF-Führung in Afghanistan übernehmen*', German government press release, 6 November 2002, <http://www.bundesregierung.de/Nachrichten-417.447924/Deutschland-will-ISAF-Fuehrung.htm>.

<sup>528</sup> The Bavarian Prime Minister Stoiber, official CDU/CSU candidate for the Chancellory at the 2002 general elections, repeatedly attacked the Schröder administration for its lack of spending on defence. Stoiber accused the government of a gap between its official rhetoric on the issue and its actual policy: 'It is unbearable, that Germany 's the tailender with regard to defence expenditure per capita income. We have to undertake a clear adjustment here and strengthen the investment share of our expenses.' (*Rede des bayerischen Ministerpräsidenten, Edmund Stoiber, beim 21. Franz-Josef-Strauß-Symposium/Internationale Fachtagung für Politik und Strategie*, Munich, 5 July 2002, source: *Internationale Politik*, 9, September 2002, *Dokumente*, p.115).

<sup>529</sup> MEP Gerhard Schmid called on the European governments, including the German finance ministry, to provide the resources needed in order to transform the EU's military capabilities, which would be insufficient at present to fulfil the upcoming tasks of crisis management (Interview with Gerhard Schmid, MEP, Regensburg, 18 June 2001).

made clear that under the current financial constraints, the government will rather focus on more efficient spending of resources than on an general increase of the defence budget:

'In the face of limited resources, the most like spectrum of action has to determine the role and the resources of the *Bundeswehr* more consistently than before. The reality of *Bundeswehr* deployment needs to find expression in structures, scope, abilities and equipment of the forces.'<sup>530</sup>

Chancellor Schröder confirmed in his last major interview before the parliamentary Christmas break in Germany on December 22<sup>nd</sup> 2002 that any spending increases on defence in this parliament would be out of question:

'We also have to deliver on other things. Especially through inner reforms of the *Bundeswehr*, we have to make sure that our army is more capable to do justice to the asymmetrical threat and less to the unlikely symmetrical one.'<sup>531</sup>

The latest reports on planned cuts of German domestic defence spending of up to £ 3.7 billion until the year 2006 are not encouraging in this respect<sup>532</sup>. If Germany does not find a way out of its present financial and economic crisis, it will remain to be considered to unsuitable as a serious partner on the issue of European defence security. The perception expressed by MP John Maples during the examination of Foreign Minister Jack Straw that 'France and the United Kingdom are really the only two serious players in Europe in this regard' should be seen as a warning sign for the German government that it risks losing influence on the issue of CFSP if it does not seriously start to tackle the issue of military reform and spending increases.

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<sup>530</sup> 'Keine Reform der Reform', *Punktion des Bundesministers der Verteidigung, Dr. Peter Struck, anlässlich der 1. Lesung des Bundeshaushaltes 2003 im Deutschen Bundestag*, 4 December 2002, Berlin, [www.bmvg.de/archiv/reden/minister/print/021204\\_bundestag\\_haushalt.php](http://www.bmvg.de/archiv/reden/minister/print/021204_bundestag_haushalt.php).

<sup>531</sup> 'Es geht um die Verteidigung unserer Wertvorstellungen', Interview with Chancellor Schröder, *Süddeutsche Zeitung*, 22 December 2002.

<sup>532</sup> See *Süddeutsche Zeitung*, 'Bundesregierung streicht Rüstungsprojekte zusammen', 5 December 2002.

François Heisbourg hence rightly stresses the political implications of the present German failure to deliver on military spending and structural reform:

‘Concerning the military potential and the structure of the forces in Germany, the situation is mediocre in a number of ways. Firstly, the contribution of conscription to the ‘man material’ of the *Bundeswehr* acts as a restricting element with regard to the participation of ground troops in high-risk combat missions. Secondly, the German force structure, with regard to its size and in general, does certainly not fit in with the tackling of the Petersberg tasks (...) Germany does not spend the resources for defence, which would be in line with the most ambitious Petersberg tasks (...) The German contribution to a European defence policy is indispensable. A Germany, which would find it hard to essentially participate in bigger Petersberg tasks would, through this fact alone, limit the political ability to choose its partners’ (Heisbourg, 2002, pp. 2000).

The different priorities on foreign policy and security issues make CFSP a difficult area for Britain and Germany to co-operate. The Blair administration’s inability to perform its desired role as a bridge between American and European interests, because of its lack of distance from the Bush administration, and the red-green government’s neglect of its defence sector have torn the two countries further apart on the issue.

After promising developments in the wake of Kosovo in the late 1990s, one cannot see any common ground between Britain and Germany on foreign and security issues, apart from both countries’ commitment to the transatlantic alliance, which is not shared to the same extent by France. They disagree on the framework for a CFSP, where Germany favours general decision-making by QMV and Britain insists on unanimity. Britain does also not share Germany’s call for a merger between the role of the position of the High Representative of the Council and the Commissioner for External Relations<sup>533</sup>, another issue which clearly shows that the British

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<sup>533</sup> The 2002 SPD-B90/Greens coalition agreement calls for a merger between the two positions: ‘The posts of Commissioner for External Affairs and the High Representative for CFSP should be exercised by one person’ (*‘Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie’*, Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, p. 78). The British government sees such a merger as an attempt

intergovernmental approach clashes with the German communitisation attempts on CFSP.

The British Prime Minister may have played a role in the attempts to mediate between the Schröder and the Bush administration after they had fallen out diplomatically because of former justice minister Däubler-Gmelin's comparison with Hitler and Schröder's refusal to back the U.S. policy on Iraq<sup>534</sup>. Due to the two countries' lack of common ground on the issue of foreign and security policy, it is a fact however that the traditional groupings have recently re-emerged. Britain prefers to side with the U.S. and thus focuses on NATO as the main institution for defence and security issues in Europe, whereas Germany, in order to avoid being completely marginalised, has tried to revive the partnership with France on the issue.

This has resulted in two new Franco-German initiatives on CSFP, the Schwerin declaration of the Franco-German defence and security council in July<sup>535</sup> and a joint contribution to the Convention on the Future of Europe in November 2002<sup>536</sup>. In the two documents, the French and the German government express their renewed determination to push forward the development of an effective CFSP for the EU, including enhanced co-operation and a more flexible decision-making process:

to communitise the CFSP, which should be decided by the member state governments and favours stronger coordination between the two positions: 'So it is a question of how you co-ordinate those two roles. We are not in favour of a straight merging or a Commission takeover because that would effectively communitise foreign policy (...) there is a continuum and a continuous linkage between the different roles, but it being a matter ultimately for Member States to decide.' (Uncorrected evidence presented by Rt Hon Peter Hain, Government Representative on the Convention on the Future of Europe, Mr Nick Baird, Head of European Union department (internal), Ms Sarah Lyons, Private Secretary to the Government Representative on the Convention on the Future of Europe, European Scrutiny Committee, House of Commons, 20 November 2002, question 32, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmeuleg/uc103/uc10301.htm>).

<sup>534</sup> The first foreign visit Chancellor Schröder made after his re-election was a trip to Number 10 Downing Street in order to get the Prime Minister's backing in an attempt to settle the row with Washington ('Schröder heads for London for meeting with Blair', *The Guardian*, 24 September 2002 and *Süddeutsche Zeitung*, 'Blair soll helfen', 25 September 2002).

<sup>535</sup> 'Erklärung von Schwerin', *Deutsch-französischer Verteidigungs- und Sicherheitsrat*, 30 July 2002, [http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/laenderinfos/79\\_df\\_vtg.pdf](http://www.auswaertiges-amt.de/www/de/infoservice/download/pdf/laenderinfos/79_df_vtg.pdf).

<sup>536</sup> Contribution by Mr Dominique de Villepin and Mr Joschka Fischer, members of the Convention, presenting joint Franco-German proposals for the European Convention in the field of European security and defence policy, 22 November 2002, <http://register.consilium.eu.int/pdf/en/02/cv00/00435en2.pdf>.

‘Germany and France support (...) the strengthening of the co-operation between the fifteen, as well as especially a harmonisation of military requirement planning and a concentration of capabilities and resources, wherever possible (...). Germany and France, which have always represented the motor of the European construction work, want to give a new impetus to the security and defence dimension of the Union. They have therefore instructed the Franco-German defence and security council, to work out proposals for the further development of the ESDP in the run-up to the 40<sup>th</sup> anniversary of the Elysée Treaty, in order to make a contribution to the work of the Convention on the Future of Europe through this. In this respect they will also examine the possibility of an enhanced co-operation, which is tailor-made for the area of EDSP and new possibilities in the area of the decision-making processes.’<sup>537</sup>

The resulting contribution to the Convention by Fischer and Villepin called for the development of a comprehensive CFSP, which would include ‘judicial and police co-operation, economic and financial instruments, civilian protection, as well as military means’ and the inclusion of a political declaration on the need to provide a ‘common solidarity and security’ for the whole of the EU into the Community treaty structure<sup>538</sup>. The Franco-German initiatives have already borne fruit with regard to pushing the discussion on CFSP into a more integrative direction, away from the intergovernmental focus of the UK. A big group within the Convention on the Future of Europe has proposed the creation of a real European foreign policy, which would be represented by an EU Foreign Minister<sup>539</sup>.

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<sup>537</sup> ‘Erklärung von Schwerin’, *Deutsch-französischer Verteidigungs- und Sicherheitsrat*, 30 July 2002, chapter II and IV, [http://www.auswaertige-amt.de/www/de/infoservice/download/pdf/laenderinfos/79\\_df\\_vtg.pdf](http://www.auswaertige-amt.de/www/de/infoservice/download/pdf/laenderinfos/79_df_vtg.pdf).

<sup>538</sup> Contribution by Mr Dominique de Villepin and Mr Joschka Fischer, members of the Convention, presenting joint Franco-German proposals for the European Convention in the field of European security and defence policy, 22 November 2002, p. 2, <http://register.consilium.eu.int/pdf/en/02/cv00/00435en2.pdf>

<sup>539</sup> *Süddeutsche Zeitung*, ‘Konvent will einen EU-Außenminister’, 21 December 2002.

The British government should therefore be careful not to lose the momentum by leaning too close towards the U.S. . In spite of Germany's weak standing on the issue, the French prefer to side with the German government on CFSP, as they consider it more likely to achieve their goal of a relatively strong EDSP identity than if they would attempt to co-operate with Britain. The Blair administration has disappointed many hopes that it would seriously commit itself to a CFSP for the EU, as it continues to refuse to abandon its insistence on unanimous decision-making and basically want to put the RRF under NATO command. The relatively uncritical British support for the policy of the Bush administration towards Iraq has not helped to improve the government's standing on the issue amongst its partners in the EU.

Any hopes that Britain could capitalise from the German weakness on defence and security, could be seriously disappointed if France and Germany continue to keep up their renewed co-operation on the issue. As things stand at present, Britain will not be able to play a decisive role in the determination of the CFSP framework of the EU, if it does not shift its focus from America towards the European continent.

Germany will remain a junior and rather willing partner for France on CFSP, which means that the final shape of a European foreign policy and security identity might look more independent from NATO than both the British and the German governments would want. In order to achieve any substantial progress on the issue, all EU member states and especially Germany, will however finally have to show a serious commitment to the CFSP by substantially increasing their spending on defence and by overcoming national vanity on foreign policy matters.

The failure of the British and the German government to do so in recent years is a symbol for the general lack of commitment towards the issue of CFSP at present. The prospects for substantial British-German agreement on the shape of a European CFSP will depend on the willingness on both sides to achieve progress. At present, the outlook for a strategic alliance between the two countries in this respect is not very promising at all.

#### 4.5. Enlargement

The one area in which Britain and Germany show the greatest correspondence of interests is certainly that of the enlargement of the European Union. Both countries have traditionally supported the continuing enlargement of the Community as part of a desire to unite Europe, which had been divided by force during two World Wars, in an area of freedom, democracy, security and economic stability. For the unified Germany, the strong support for enlargement of the EU since 1990 has been based on a deep sense of gratitude towards the countries of Central and Eastern Europe for their support towards German reunification. Moreover, having been a divided nation for more than 40 years itself, Germany sees the process of enlargement into Central and Eastern Europe as an inevitable process of ending the Cold War for good through the reunification of the European continent as an area of democracy, economic prosperity and peaceful stability. Adrian Hyde-Price stresses in this respect that the German desire to take the former communist countries on board the EU stems from a mixture between wanting to provide a secure neighbouring environment, which also does provide an area of trading opportunities for Germany, and a feeling of post-Cold War obligation to compensate:

‘Berlin’s continuing commitment to EU enlargement reflects Germany’s role conception as a ‘bridge’ between East and West, and the German government’s decision to respond to the dilemmas of the *Mittellage* by enlarging Euro-Atlantic structures eastwards (...). The memory of the war has generated a sense of moral responsibility that has been an important factor in German support for East Central European aspirations to “return to Europe”.

Many Germans also feel indebted to the Poles, Czechs and Hungarians for their part in ending the cold war and making possible the peaceful unification of Germany.’ (Hyde-Price, 2000, pp. 182-183)

The red-green coalition under the leadership of Chancellor Schröder had, straight after it came into power in 1998, shown strong support for the eastward enlargement of the EU. In its coalition agreement of September 1998, the SPD and the B90/Greens clearly stated their commitment to swift enlargement of the EU into Central and Eastern Europe:

‘The historic chance of the enlargement of the European Union into Central- and Eastern Europe has to be taken advantage of resolutely. The new federal government will support the European Union actively in contributing to the economic and democratic stabilisation of the Central and Eastern European countries through an effective accession strategy and aid, which show solidarity.’<sup>540</sup>

Summarising the outcome of the Berlin European Council, where the EU had passed the Agenda 2000 and thus paved the way for enlargement, Chancellor Schröder told the European Parliament on April 14<sup>th</sup> 1999 that his government had strongly pushed towards the passing of the Agenda ‘out of the awareness that European integration can only succeed, if this Europe does not end at the borders of the former Iron Curtain’<sup>541</sup>. The German Foreign Minister stressed in his landmark speech on the future of European integration that Germany showed such strong support for the enlargement process, because it would be fundamentally in the German national interest to turn it into a success:

‘Enlargement is a supreme national interest, especially for Germany. It will be possible to permanently overcome the risks and temptations objectively inherent in Germany’s dimensions and central situation through the enlargement and simultaneous deepening of the EU (...)

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<sup>540</sup> *Koalitionsvereinbarung zwischen der Sozialdemokratischen Partei Deutschlands und Bündnis 90/Die Grünen*, 20 October 1998, p. 8, [www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm](http://www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm).

<sup>541</sup> *Bilanzrede des deutschen Bundeskanzlers und EU-Ratsvorsitzenden, Gerhard Schröder, zum Europäischen Rat in Berlin vor dem Europäischen Parlament*, Strasbourg, 14 April 1999, source: *Internationale Politik*, 6, June 1999, <http://www.dgap.org/IP/ip9906/schroeder140499.htm>.

(...) Enlargement will bring tremendous benefits for German companies and for employment. Germany must therefore continue its advocacy of rapid eastern enlargement.<sup>542</sup>

The Schröder/Fischer administration hence remained firmly in the tradition of post-war West German and all-German governments, which have traditionally acted as the advocates of the interests of the countries of Central and Eastern Europe in the European Community. The *Ostpolitik*, which had been initiated by the first SPD/FDP coalition under the leadership of Willy Brandt in West Germany after 1969, became part of the German foreign policy tradition. Germany consequently developed close diplomatic and trade links with the countries of Central and Eastern Europe and many of them considered Germany as their main contact in Western Europe<sup>543</sup>.

The red-green coalition nevertheless shows a new approach towards enlargement, because it combines a sincere commitment to swift enlargement with the frank admission that the process would have to be based on a fair share of the financial burden between the EU member states. In contrast to its predecessors, and especially the Kohl/Genscher administration, the red-green coalition is not willing to take over a greater financial burden in the course of the process. This was already one of the central demands of the German Council Presidency in the first half of 1999:

'The German presidency will (...) strongly push towards a solution of the problem of the high net burden of some member states (...) the efforts on financial policy have to concentrate on creating the necessary financial scope for future enlargement through budget discipline and reform of the most important Community policies.'<sup>544</sup>

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<sup>542</sup> 'From Confederacy to Federation – Thoughts on the finality of European integration', Speech by Joschka Fischer at the Humboldt University in Berlin, 12 May 2000, <http://www.dgap.org/IP/ip9906/schroeder140499.htm>.

<sup>543</sup> For the Polish perspective in this respect see Buras and Cichoki (2002), p. 202, for the Hungarian perspective Kiss (2002) p. 215 and the Czech perspective Handl (2002), p. 232. All authors express the view that Germany is seen as a gateway to Western Europe, i.e. traditionally the main advocate of Eastern enlargement in the EU.

<sup>544</sup> *Programm der deutschen EU-Ratspräsidentschaft*, 21 December 1998, p. 8, source: *Internationale Politik*, 6, June 1999, [www.dgap.org/IP/ip9906/eude211298.htm](http://www.dgap.org/IP/ip9906/eude211298.htm).

In this respect, Chancellor Schröder has never tried to conceal that his government would stick up for Germany's national interests in the process of enlargement.

As Schröder pointed out in his speech at the regional talks of the SPD parliamentary party on EU enlargement in April 2001, a successful enlargement process would have to take into account the benefits, as well as the concerns of the German people with regard to possible negative implications:

‘(...) There are also concerns with regard to enlargement. Who overlooks these concerns or talks over them with regard to the big entirety, risks the support of the citizens for the opening of the European Union as a whole (...). The federal government has never left any doubt that we wish for a swift conclusion of the accession negotiations. However, there must be no cutback at the expense of the quality. Every negotiation result has to stand the test of reality. We will therefore only agree to a common position, if the objective German concerns on this issue have been taken into account.’<sup>545</sup>

The Schröder administration has consequently linked its essentially strong support for enlargement with demands for transitional periods, budgetary limits and a substantial reform of the Common Agricultural Policy (CAP). With regard to transitional periods, the SPD had demanded transitional periods for the candidate countries in the areas of agriculture, transport, environmental standards and especially on the free movement of labour and service industries in the motion passed at the Nuremberg party conference in 2001.

With regard to the free movement of labour and service industries, the motion called for transitional periods of seven years for the new member states<sup>546</sup>.

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<sup>545</sup> *Rede von Bundeskanzler Schröder auf der Abschlussveranstaltung der SPD-Bundestagsfraktion, Berlin, 3 April 2001, <http://www.bundeskanzler.de/Reden-.7715.27667/Rede-von-Bundeskanzler-Schroeder-auf-der-Abschlu...htm>.*

<sup>546</sup> *‘Verantwortung für Europa – Deutschland in Europa’, SPD leadership motion for the Party conference in Nuremberg, <http://www.spd.de/servlet/PB/show/1010138/beschlussbuch.pdf>, p.52.*

It becomes clear that these substantial demands had already become official government policy by the time the motion was passed, when one considers Chancellor Schröder's official statement in Nice in January 2001.

In the statement, Schröder told the *Bundestag* that the government would insist on the transitional periods the free movement of labour and service industries in order to avoid substantial disadvantages for regions in within Germany, which border the accession candidates:

'If there would be complete and immediate free movement of labour in the process of enlargement, we would be confronted with increased influx into Germany. In the face of the far too high unemployment, the receptiveness of the German labour market will be substantially limited for the foreseeable future (...),

The right solution for the present problem can therefore only consist of a limited transitional period. Reasonable transitional periods are however also in the interest of the accession candidates. They prevent social tensions and make sure that candidate countries do not lose their urgently needed, most qualified employees (...).'<sup>547</sup>

Schröder stressed that his government would see such transitional periods as the only way to counter resentment against the enlargement process amongst the German population. Especially those living in the border regions were sceptical about the process because they feared an influx of cheap labour as a result of the accession of the countries of Central and Eastern Europe. The Chancellor therefore insisted that the only way to maintain public support for enlargement in Germany would be to introduce free movement gradually:

'We need an identification with the enlargement process. This is especially the case for the border regions. Without this identification and without transitional periods it will be really very difficult, to find the necessary consent.

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<sup>547</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag zu den Ergebnissen des Europäischen Rates in Nizza, Berlin, 19 January 2001, <http://www.bundeskanzler.de/Regierungserklaerung-.8561.21773/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.*

We altogether gain nothing if we push through enlargement not with the citizens, but especially against those affected by it.’<sup>548</sup>

The Schröder administration has also made clear to its EU partners that it would not agree to further budgetary increases as part of enlargement. As part of demands for an end to Germany’s paymaster role in Europe, the Chancellor pointed out that there could be no further spending increases above what had been agreed in the Agenda 2000 at the 1999 Berlin summit:

‘Everything has to be affordable within the framework of the Agenda 2000 and must also not wear out the budgets of the accession candidates.’<sup>549</sup>

The 2002 coalition agreement between the SPD and the B90/Green Party explicitly emphasised that the red-green coalition would work towards a fairer distribution of the financial burden sharing within the EU as part of the enlargement process. In this respect, the German government’s position focuses on the need to set clear limits to the size of the EU budget after 2007, which would have remain ‘clearly below the upper limit of 1,27% of the GDP of the enlarged EU’<sup>550</sup>. This is closely linked to demands to reduce the expenditures for the Common Agricultural Policy (CAP) and to ensure a more frugal concentration of structural and regional funds ‘to the really needy regions’<sup>551</sup>.

The issue of CAP reform is one which has been at the heart of the red-green coalition’s European reform programme since it came into power in 1998.

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<sup>548</sup> Ibid.

<sup>549</sup> *Rede von Bundeskanzler Schröder auf der Abschlussveranstaltung der SPD-Bundestagsfraktion*, Berlin, 3 April 2001, <http://www.bundestkanzler.de/Reden-.7715.27667/Rede-von-Bundeskanzler-Schroeder-auf-der-Abschlu...htm>.

<sup>550</sup> *‘Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie’*, Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, p. 81, <http://www.bundesregierung.de/Regierung/-.431/Koalitionsvertrag-I.-Praeambel.htm>.

<sup>551</sup> Ibid.

The first coalition agreement promised that the new government would push towards a fundamental reform of the Common Agricultural Policy, with an emphasis on more efficient, cost-effective and environmentally friendly farming. In this respect, the focus was very much on cutting the cost of CAP as part of the EU budget:

‘European agriculture has to become more competitive and environmentally friendly. Public funds have to be targeted more towards environmental and employment policy criteria and as efficiently as possible towards those targets. In this respect, attention has to be paid to reduce the European Union expenditure for the Common Agricultural Policy.’<sup>552</sup>

The Chancellor himself did not grow weary of calling for a completely new system of funding for the CAP, consisting of direct income support for farmers rather than overall subsidies, which encourage mass production and waste. Such a system of income support payments would have to be partially controlled by the member states governments themselves, amounting to a return of agricultural funding powers to the national level:

‘Where the alignment of prices with the level of the global market disadvantages the German farmers, we have to accomplish a system of direct income support in Europe, which can also be amended nationally.’<sup>553</sup>

Because a substantial reform of the CAP had not been achieved at the December 2000 IGC in Nice, the government continued to express its strong support for a fundamental reform of the system of agricultural funding in the EU.

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<sup>552</sup> *Koalitionsvereinbarung zwischen der Sozialdemokratischen Partei Deutschlands und Bündnis 90/Die Grünen*, 20 October 1998, December 1998, chapter 2, [www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm](http://www.dgap.org/IP/ip9812/koalitionsvereinbarung.htm).

<sup>553</sup> *Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, Berlin, 10 November 1998, [www.bundestkanzler.de/Regierungserklärungen-.7561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder.htm](http://www.bundestkanzler.de/Regierungserklärungen-.7561.58575/Regierungserklaerung-von-Bundeskanzler-Gerhard-Schröder.htm).

Especially the Greens tried to make sure that the issue would remain on the agenda of German European policy priorities. The Green agriculture and consumer minister Renate Künast, who took over the resort from SPD minister Karl-Heinz Funke in January 2001 in the wake of the German BSE scandal, became the leading advocate of environmentally friendly reform of the CAP within the government. After she had taken over her ministry, Künast did not grow weary of calling on the rest of the EU to end the wasteful system of CAP subsidies and to develop a reformed system, in which the member states would have a greater say over how their national agricultural sector is funded. In her first statement to the *Bundestag*, Künast strongly criticised the existing system of agricultural funding in the EU and proposed a reformed CAP, which would be based on ‘class instead of mass’. A new CAP would have to be based on environmental standards and consumer protection and would have to be able to fit into a non-protectionist fair trade system as part of the World Trade Organisation:

‘Agricultural policy is European policy. The signals from Brussels are encouraging and I hope, we will manage (...) to alter the course. We therefore propose, to extended the national scopes of action for the change of the agricultural subsidies. I share the view of the EU Commission: consumer protection, environmental standards and social issues belong on the very top of the agenda of the WTO negotiations.’<sup>554</sup>

In the meantime, Künast’s ministry developed a concrete set of proposals for a new CAP, based on a mid-term review report of the Agenda 2000. The report is severely critical of the present system of CAP funding and accuses it of encouraging overproduction and waste

‘(...) EU agricultural policy contributes to overproduction and a lack of market orientation, as well as international competitiveness and negative consequences for nature and the environment, as well as the protection of animals could not fully be compensated through the introduction of agricultural environmental measures (...) the large majority of the state expenses for the agricultural sector is still distributed

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<sup>554</sup> ‘Regierungserklärung zur neuen Verbraucherschutz- und Landwirtschaftspolitik’, Rede der Bundesministerin für Verbraucherschutz, Ernährung und Landwirtschaft, Renate Künast im Deutschen Bundestag, 8 February 2001, [www.verbraucherministerium.de/pressdienst/pd2001-06-7.htm](http://www.verbraucherministerium.de/pressdienst/pd2001-06-7.htm).

regardless to ecological and other social achievements on the part of the agricultural sector and the agricultural policy is connected with a high level of bureaucracy.’<sup>555</sup>

Through a reformed CAP, orientated towards market demand and competition in terms of the quality of agricultural products instead of production output, European agricultural products would become more competitive on the global scale. Instead of subsidising massive production outputs, the Künast paper calls for a gradual end to the link between production and payments and the introduction of a system of rewards for environmentally and animal friendly farming, based on national co-financing. This would have to include financial support for non-agricultural activities as part of a comprehensive program for the preservation of rural life. The aim of the German agriculture and consumer protection ministry’s plan is the development of a more consumer-orientated agricultural CAP, which would end protectionism and artificial market interference:

‘Germany pursues the goal to orientate the Common Agricultural Policy more towards the interests of the consumers and therefore more towards the market. Agricultural production has to be orientated far more than at present towards economic, social and environmental principles.’<sup>556</sup>

During the 2002 German general election campaign, Chancellor Schröder himself emphasised that, as part of the completion of the enlargement negotiations, his administration would put substantial CAP reform high on the European reform agenda in a second term. Schröder focused strongly on the financial aspect of the CAP and made clear that his government would not agree to any further increases in the EU budget in order to subsidise the agricultural sectors of the accession candidates:

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<sup>555</sup> ‘Position der Bundesregierung zur Zwischenbewertung der Agenda 2000 (Mid-Term-Review), 27 February 2002, p. 2, <http://www.verbraucherministerium.de/aktuelles/agenda-2000-zwischenbewertung-27-2-2002.htm>.

<sup>556</sup> Ibid, p.2.

‘The extension of the existing agricultural policy to 25 member states would, in the final stage lead to annual costs of 8 billion Euros – a quarter of that, two billion Euros per year, would have to be paid for by Germany (...) We cannot agree to that, even if we wanted to (...) The maximum limit of Germany’s financial burden-sharing has been reached.’<sup>557</sup>

In contrast to his earlier stance and to the demands of his agricultural minister, the Chancellor made clear, however, that Germany would not call for a system of national co-financing in the upcoming negotiations on the budgetary arrangements for enlargement. Schröder rejected demands for such a system, because ‘it will inevitably lead towards direct confrontation with France.’<sup>558</sup> The way to the compromise on CAP between Schröder and French president Chirac at the EU summit in Brussels in October 2002, which surprised many, and especially the British government, can therefore already be detected in Schröder’s statements during the election campaign. Against the background of scarce public finances in Germany, the uppermost priority with regard to CAP in the short term for Schröder was to limit the financial costs of CAP as part of the accession of the first ten new members from CEE in 2004. Because Schröder realised that this could only be achieved with the consent of France, he was ready to postpone fundamental reform of the way the CAP operates to a later date.

This is certainly disappointing if one considers the ambitions in terms of CAP reform, which had again been set out in the red-green coalition agreement, which followed the narrow general election victory of Schröder’s coalition in September 2002.

The section on agricultural policy promises that the government would ‘speak up for fundamental reform of the Common Agricultural Policy’<sup>559</sup>.

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<sup>557</sup> ‘Die Erweiterung muss bezahlbar sein’, Article by Gerhard Schröder in the *Frankfurter Allgemeine Sonntagszeitung*, 16 July 2002.

<sup>558</sup> Ibid.

<sup>559</sup> ‘Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie’, Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, p. 81, <http://www.bundesregierung.de/Regierung/-,431/Koalitionsvertrag-I.-Praeambel.htm>

A strong emphasis was put on the need to re-orientate the CAP towards consumer demands and to end distortions of competition through artificial subsidies and price setting in order to bring it in line with WTO standards of fair trade:

‘European agriculture has to be aligned with the principles of sustainability, compatible with the standards of the World Trade Organisation and orientated more towards consumer interests. Through a reduction of measures which distort the market, like internal price support, export refunds and state interventions in case of non-saleable surpluses, the producers shall be enabled to react to the signals of the market and the needs of consumers in a better way. This increases the conformity of the Common Agricultural Policy with the WTO and contributes to fair trade chances, especially for the developing countries.’<sup>560</sup>

Although the coalition agreement did not specifically mention the introduction of a system of national co-financing for the CAP, it was made clear that the German government would push towards greater independence with regard to the use of direct agricultural payments on the national level. The use of these payments would have to be determined by the individual national circumstances in each member state, based on environmentally friendly farming practices:

‘At the same time, these payments have to be linked with the fulfilment of certain standards in the area of environmental and animal protection. The proposals for a fairer social arrangement of the direct payments in the present member states and the use of the payments in each of the member states have to be arranged in a way, in order to achieve greater fairness, so that branches of production are assessed individually and no one-sided discrimination of regions continues or is brought about.’<sup>561</sup>

None of these far-reaching goals have been achieved in the compromise reached between France and Germany at the November 2002 Brussels summit.

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<sup>560</sup> Ibid.

<sup>561</sup> Ibid.

The cap on expenditure for agriculture in the EU budget after 2007 until 2013 and the limitation of direct payments for the national agricultural sectors of the ten new member states between 2004 (25%) and 2007 (40%)<sup>562</sup> is certainly a success for the German government in terms of limiting the costs of enlargement. Chancellor Schröder therefore pointed out that the Brussels compromise had achieved one of the essential German priorities in the enlargement process. The limitation of further expenditure for agriculture would be crucial for Germany in its desire to prevent any further increases in its role as the main net contributor to the EU budget:

‘It was also a big success, that the Brussels compromise on the stabilisation of the agricultural expenditure until the year 2013, which was based on the agreement between president Chirac and myself, has not been touched. Through this we have finally managed to get a permanent grip on the far biggest risk of expenditure.’<sup>563</sup>

Although the expenditure for agriculture will not rise for the foreseeable future as a result of the compromise, the substantial reform of how the CAP operates has been postponed once again, but certainly remains on the agenda. Schröder’s current need to focus on urgent domestic political issues and his relative political weakness due to a majority of only six seats in the *Bundestag*, explain why the German government has not pushed towards a more substantial reform of the CAP at Brussels.

Struggling to cope with Germany’s economic problems, the Chancellor not only was anxious not to open another political front on the EU level, he also did not want to risk the start of enlargement by 2004 because of a row with France on agriculture.

It can be expected, however, that Germany will again put the issue on the table at a later date. This will be the case either under a strengthened red-green coalition, once he Germany’s economic performance has improved, or under a Conservative Chancellor, who will push even more towards fundamental CAP reform.

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<sup>562</sup> Brussels European Council Presidency Conclusions, 24/25 October 2002, pp. 4-6, <http://ue.eu.int/newsroom/makeFrame.asp?MAX=&BID=76&DID=72968&LANG=1&File=/pressData/en/ec/72968.pdf&Picture=0>.

<sup>563</sup> *Regierungserklärung von Bundeskanzler Schröder zu den Ergebnissen des Europäischen Rates in Kopenhagen*, 19 December 2002, [www.bundestkanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y](http://www.bundestkanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y).

Schröder himself has already announced that his government will try to play a greater role 'in the active development of the reforms in the European Union' in the weeks and months to come<sup>564</sup>.

At the December 2002 EU summit in Copenhagen, where the EU finalised the first wave of enlargement for 2004, Schröder has again shown that he is still strong enough to fight for German interests. He not only opposed Polish demands for additional support for its agricultural sector<sup>565</sup>, but also insisted that Germany would only agree to the abolition of border controls with the new CEE member states, if they had reached the Schengen standards<sup>566</sup>.

Schröder's challenger for the Chancellorship at the 2002 general election, CSU leader Edmund Stoiber has for years shown a very critical attitude towards the enlargement process, which focuses even more on German interests than the red-green coalition. Stoiber, who has expressed his clear intentions to stand again as candidate in case of an early election in this parliament and his Bavarian CSU have close links with the German associations of exiles. The latter oppose the accession of countries such as Poland and the Czech Republic to the EU, as long as the issue of reparations for expulsions of Germans during the Second World War is not settled. This position has been adopted by the CSU<sup>567</sup>.

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<sup>564</sup> *Regierungserklärung von Bundeskanzler Schröder zu den Ergebnissen des Europäischen Rates in Kopenhagen*, 19 December 2002, [www.bundeskanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y](http://www.bundeskanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y).

<sup>565</sup> *The Times*, 'Poland accepts compromise to join enlarged EU', 14 December 2002.

<sup>566</sup> In his statement on the Copenhagen summit in the *Bundestag* Schröder emphasized that his government would see this as part of safeguarding security in an enlarged Europe (*Regierungserklärung von Bundeskanzler Schröder zu den Ergebnissen des Europäischen Rates in Kopenhagen*, 19 December 2002, [www.bundeskanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y](http://www.bundeskanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y)).

<sup>567</sup> The CSU called for the rejection of set accession dates for the new members from Central and Eastern Europe and demanded 'a recognition of the legitimate demands of the German expellees' ('Position der CSU zur Osterweiterung der EU: Keine voreilige Festlegung von Beitrittsterminen', [www.csu.de/DieThemen/Positionen\\_A-Z/Europa/Osterweiterung](http://www.csu.de/DieThemen/Positionen_A-Z/Europa/Osterweiterung)).

Both the CSU and its sister party outside Bavaria, the CDU<sup>568</sup>, have strongly supported the Schröder administrations demands for transitional periods. Especially the CSU, representing the interests of voters living in the regions of Bavaria, which border the Czech Republic, have called for long transitional periods with regard to the abolition of border controls with the new member states<sup>569</sup>, something which the red-green coalition has supported at the Copenhagen summit.

Both parties have also been very critical of the Franco-German compromise on CAP and have stressed that fundamental reform of the system of CAP would have to take place before the first CEE accession candidates enter the EU. The Bavarian Prime Minister Stoiber, who is dependent on strong political support of the rural regions of Bavaria, has called for a reform of the CAP, which would maintain the system of direct payments for farmers. This is very much in the interest of the large Bavarian agricultural sector, where farmers benefit from the present system of direct payments which are linked to production output. Even Stoiber has however supported the introduction of national co-financing into CAP as the only way of preventing the spiralling costs for agriculture in the long term<sup>570</sup>.

The German insistence on a limitation of costs and a substantial reform of CAP would consequently remain after a change in government and would even become stronger should Stoiber again become official CDU/CSU candidate for the Chancellorship at the next election. Because of the strong impact the enlargement process will have on Germany as a country situated on the borderline between East and West, it is bound to raise demands to safeguard its own national interests and to take into account the concerns of the German people. However, these details should not lead one to lose sight of the fact that a general consensus amongst the German political and economic elites exists in favour of enlargement.

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<sup>568</sup> For the latest CDU demands concerning the enlargement process see 'Wolfgang Schäuble, Karl Lamers: Überlegungen zur europäischen Politik', 1 September 2002, p. 10, [http://www.cdu.de/politik-a-z/europa/schaeuble\\_lamers\\_papier\\_1994.pdf](http://www.cdu.de/politik-a-z/europa/schaeuble_lamers_papier_1994.pdf).

<sup>569</sup> 'Reformen für eine erweiterte Europäische Union', leadership motion passed at the 67<sup>th</sup> CSU party conference, 22/23 November 2002, Munich, pp. 4-5, [http://www.csu.de/home/UploadedFiles/Dokumente/Leitantrag\\_Europa\\_Beschluss\\_11.22.23.pdf](http://www.csu.de/home/UploadedFiles/Dokumente/Leitantrag_Europa_Beschluss_11.22.23.pdf).

<sup>570</sup> 'Stoiber und EU-Agrarkommissar Fischler in München', CSU press notice, 7 November 2002, [www.csu.de/home/Display/Politik/Themen/Europa/euosterw\\_290402](http://www.csu.de/home/Display/Politik/Themen/Europa/euosterw_290402).

The accession of the former communist countries in Central and Eastern Europe to the EU is seen as a historic chance to reunite the European continent and to bring security and economic stability to the whole of Europe. For Germany, the enlargement process is hence seen as the final removal of the results of the Second World War and the resulting division of Europe into two opposing ideological blocks.

The strong German support for the process, which goes through all political parties is based on a mixture between historic compensation for the effects of the German hegemony during WW2, the desire to create an area of stability and security in Germany's immediate Eastern neighbourhood and to open up new export markets for German businesses and industry.

As Foreign Minister Fischer pointed out in his speech to the Belgian parliament in November 2000, for Germany eastward enlargement

'is an act of justice towards our Eastern neighbours and it is a compelling political necessity. Our continent could not withstand a permanent division between a Europe of integration and a Europe of balances, hegemonies and nationalism (...). Enlargement is also a real win-win situation in economic terms, exactly as it was the case with the Southern enlargement (...). We therefore do not integrate petitioners, but a booming region. With enlargement, the Union will gain in terms of political stability, economic, dynamic and international importance. We therefore have the greatest interest in realising enlargement as soon as possible.'<sup>571</sup>

Chancellor Schröder stressed in the wake of the December 2002 Copenhagen summit, where the details of the accession of ten new member states in 2004 were finalised by the EU heads of state, that the enlargement process provided the whole of Europe with 'the historic chance to turn this continent into an area of lasting peace and

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<sup>571</sup> *Rede des Bundesministers des Auswärtigen Joschka Fischer im belgischen Parlament, Brussels, 14 November 2002,*  
[http://www.auswaertigesamt.de/www/de/eu\\_politik/aktuelles/ausgabe\\_archiv?archiv\\_id=1017&type\\_id=3&bereich\\_id=0](http://www.auswaertigesamt.de/www/de/eu_politik/aktuelles/ausgabe_archiv?archiv_id=1017&type_id=3&bereich_id=0).

welfare for its citizens'<sup>572</sup>. The Chancellor also emphasised the cross-party consensus on support for enlargement when he called the successful conclusion of the Copenhagen summit as 'a late – and well-earned success of Willy Brandt and Helmut Kohl'<sup>573</sup>. However, Schröder admitted that Germany did not only support the enlargement process out of a feeling of gratitude but that there were also essential benefits for Germany in terms of security and economic development:

'It would be insincere to deny that the enlargement, which has been decided in Copenhagen is also very much in our own national interest (...) The advantages for our employers are obvious: accelerated growth increases the demand for imports in these countries and through that improves our export chances. But it would be wrong to limit the view to economic issues. We will gain an increase in terms of security (...). Enlargement will contribute to the further improvement and the intensification of the co-operation between the police forces in Europe.'<sup>574</sup>

For Germany, enlargement into Central and Eastern Europe will certainly bring substantial economic benefits. The CEE applicant countries have become crucial trading partners for Germany. German business and industry have an especially high trade turnover with Poland, the Czech Republic and Hungary. The annual German trade turnover with Poland grew from £ 17.2 million in 2000 to £ 18.7 million in 2001, the Czech Republic from £ 16.7 million to £ 19.1 million, and with Hungary from £ 13.6 million to £ 14.6 million<sup>575</sup>. In terms of the order of rank of trading partners for Germany, the CEE countries are high up on the list.

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<sup>572</sup> 'Auf dem Weg zu einer erweiterten Europäischen Union', German government press release, 13 December 2002, <http://www.bundesregierung.de/Nachrichten/Artikel-434.454204/EU-kann-zehn-neue-Mitglieder-a.htm>.

<sup>573</sup> *Regierungserklärung von Bundeskanzler Schröder zu den Ergebnissen des Europäischen Rates in Kopenhagen*, 19 December 2002, [www.bundeskanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y](http://www.bundeskanzler.de/Regierungserklärung-8561.455571/a.htm?printView=y)

<sup>574</sup> Ibid.

<sup>575</sup> 'Außenhandel der Bundesrepublik Deutschland mit der GUS, den mittel- und osteuropäischen Ländern und dem ehemaligen Jugoslawien', source: *Statistisches Bundesamt*, [http://www.destatis.de/themen/d/thm\\_aussen.htm](http://www.destatis.de/themen/d/thm_aussen.htm).

Especially with regard to exports, which is crucial for an export nation like Germany, Poland was 10<sup>th</sup> in the list of main trading partners in 2001, followed by the Czech Republic (11<sup>th</sup>) and Hungary (15<sup>th</sup>)<sup>576</sup>.

The German government has pointed out that the importance of trade with the CEE applicant countries is expected to increase even further in the coming years.

Chancellor Schröder told German business representatives on the occasion of the 50<sup>th</sup> anniversary of the Eastern Europe committee of German business that German trade with the CEE candidate countries has grown by 13% in 2001 to £ 91.8 million. This would turn the CEE region into a more important export-trading partner for German business and industry than the United States<sup>577</sup>. Schröder therefore again stressed the economic potential that eastward enlargement will bring for Germany, especially in terms of improving the country's weak post-unification economic performance:

'If you look at the growth estimates of the countries in Central- and Eastern Europe and consider the German share in it, then it becomes obvious, that this process of the unification of Europe is a process, which is not only owed to peace and balance and welfare for all, but literally lies in Germany's very own national interest (...) Higher investment, greater flow of capital and a close co-operation between West- and East-European businesses will accelerate growth.'<sup>578</sup>

Foreign Minister Fischer even called it an 'economic program for East Germany'<sup>579</sup>, which would open new economic opportunities for the economically still relatively weak East German regions.

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<sup>576</sup> 'Rangfolge der Handelspartner im Aussenhandel der Bundesrepublik Deutschland 2001', source: Statistisches Bundesamt, 2002, [http://www.destatis.de/download/aussh/aussh\\_d/rangl\\_d.pdf](http://www.destatis.de/download/aussh/aussh_d/rangl_d.pdf).

<sup>577</sup> 'Schröder: EU-Erweiterung brigt gewaltiges wirtschaftliches Potential für Deutschland', German government press release, 3 December 2002, <http://www.bundesregierung.de/Nachrichten/Artikel-434.452579/Schroeder-EU-Erweiterung-birgt.htm>.

<sup>578</sup> Ibid.

<sup>579</sup> 'Die Osterweiterung der EU wird ein Konjunkturprogramm für den Osten', Interview with Foreign Minister Fischer with the *Volksstimme Magdeburg*, 15 August 2002, [http://www.auswaertiges-amt.de/www/de/aussepolitik/ausgabe\\_archiv?archiv\\_id=3470&bereich\\_id=17&type\\_id=4](http://www.auswaertiges-amt.de/www/de/aussepolitik/ausgabe_archiv?archiv_id=3470&bereich_id=17&type_id=4).

The main German trade association, the German Industry and Trade Conference (*Deutscher Industrie und Handelskammertag*) is therefore strongly supportive of swift enlargement in order to extend the Single European Market and to provide German business and industry with a larger export market. In its 13 demands on EU reform and enlargement, the *DIHK* states that EU enlargement is ‘indispensable, has to come quickly and must not be delayed’. The paper emphasises the advantages of enlargement for German business and calls on the German government not to hamper the process by demands on transitional arrangements:

‘Accession to the EU has a twofold effect: on the one hand it helps to ease the process of renewal and modernisation in the accession countries and therefore contributes to political, economic and judicial stability and creates positive impulses for domestic businesses. On the other hand, enlargement creates the biggest economic area world-wide: The enlarged Single Market enables all businesses use common procedures and allows business engagement on all markets of the European Union under the same conditions (...)’<sup>580</sup> .

The *DIHK* wants enlargement as quick as possible, and therefore opposes the introduction of transitional periods for the applicant countries with regard to the free movement of labour and service industries. From the point of view of German industry, such transitional periods would not protect the German labour market but make its overdue recovery much more difficult:

‘If too many transitional periods and expectations are permitted for the European Single Market in the negotiations with the accession countries, the desired effects of the accession with regard to prosperity will not be achieved. This is especially the case, if the four basic freedoms of the Single European Market (free movement of people, services, goods and capital) are affected in principle (...). Generally, the limitation of the accession to the labour market is hardly useful in fighting unemployment.

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<sup>580</sup> ‘Warum Ja zur EU-Erweiterung? 13 Thesen und Forderungen des DIHK zum Reformprozess der EU und zur Erweiterung’, p. 3, [www.diht.de/inhalt/download/Thesen-EU.de](http://www.diht.de/inhalt/download/Thesen-EU.de).

The comprehensive movement of production of German businesses to Central and Eastern Europe show that, under such circumstances, the investments 'travel' towards the employees in order to secure competitiveness.<sup>581</sup>

For Germany, eastward enlargement is consequently a necessity in order to ensure that economic prosperity, security and democracy prevails on the whole of the continent. From the German perspective, the strengthening of the ideal of European unity can only be achieved if it is not limited to the Western half of the continent, but includes Central and Eastern European countries<sup>582</sup>. In the words of Chancellor Schröder, who uses Willy Brandt's famous quote on German reunification: 'What belongs together, now grows together in Europe'<sup>583</sup>.

The UK strongly shares Germany's commitment towards the enlargement process. Britain has traditionally been a staunch supporter of the widening of the Community. Under Conservative administrations, the accession of new member states were mainly seen as an opportunity to slow down the process of the deepening of integration (Lippert, Hughes, Grabbe and Becker, 2001, p. 7). New Labour approaches enlargement from a different perspective and sees it as an opportunity to enhance security and economic stability for the whole of Europe. The focus in this respect is very much on finally removing the leftovers of the Cold War division in Europe. The New Labour government thus shares the German feeling of owing gratitude to the countries of Central and Eastern Europe for the fact that they had not been able to share freedom and economic prosperity after the end of WW2. As Labour MP Gisela Stuart explained during our conversation in the House of Commons:

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<sup>581</sup> Ibid, p. 4.

<sup>582</sup> In his statement on the EU summit in Copenhagen, Foreign Minister Fischer said: 'We face a historic decision, namely the decision, that the European Union develops from the West European Union into a Common European Union.' (*Rede von Bundesaußenminister Fischer vor dem Deutschen Bundestag im Rahmen der Haushaltsdebatte u.a. zur Bekämpfung des Internationalen Terrorismus, zum Irak, zum EU-Gipfel in Kopenhagen und der Frage des EU-Beitritts der Türkei*, 4 December 2002, [http://www.auswaertigesamt.de/www/de/infoservice/ausgabe\\_archiv?archiv\\_id=3832&type\\_id=3&ber-eich\\_id=0](http://www.auswaertigesamt.de/www/de/infoservice/ausgabe_archiv?archiv_id=3832&type_id=3&ber-eich_id=0)).

<sup>583</sup> 'Schröder: Jetzt wächst zusammen, was zusammen gehört', German government press release, 13 December 2002, <http://www.bundesregierung.de/Nachrichten/Artikel-434.454823/Schroeder-Jetzt-waechst-zusamm.htm>.

‘For the Brits it’s about bringing back into Europe countries who they have always felt rightfully belonged to Europe. Particularly if you talk about Poland and the Czech Republic- it’s about redefining Europe again (...) To me that’s the big idea, even 10 or 20 years ago, that has always been the big idea behind the Union, with the back against the Berlin Wall. I had to explain to my kids – what’s so important about it – is to make enlargement happen.’<sup>584</sup>

Moreover, for the British government, enlarging the EU further is seen as the only way to overcome the problems facing Europe today. Economic division, political instability and resulting mass migration into the present EU member states could only be stopped, if the latter would be willing to share the advantages of the Single Market with their neighbours in the East and the South-East of Europe. The Prime Minister has therefore repeatedly expressed his government’s strong determination to act as the leading advocate for enlargement within the EU:

‘Without enlargement, Western Europe will always be faced with the threat of instability, conflict and mass migration on its borders. Without enlargement, the political consensus behind economic and political reform in the weaker transition countries may splinter. Should that happen we would all lose. That is why supporting enlargement in principle but delaying in practice is no longer good enough.’<sup>585</sup>

While most other member states, including Germany were at times undecided about the timetable for the first wave of enlargement, the Blair administration has followed a consistent line. Throughout all the negotiations on enlargement, it became the main promoter of entry of the first group of candidates before the next European Parliament elections in 2004, so that the new member states would be able to participate in them as full members.

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<sup>584</sup> Interview with Gisela Stuart MP, House of Commons, 25 July 2002.

<sup>585</sup> Prime Minister’s speech to the Polish Stock exchange, 6 October 2000, [www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32).

The Prime Minister was the first EU leader to commit himself to that date in his Warsaw speech in October 2000<sup>586</sup>. The 2001 Labour general election manifesto pledged that the government would ‘do all it can to enable the first group of applicant countries to join in time to take part in the next European Parliamentary elections in 2004’<sup>587</sup>.

In contrast to Germany, which as a border country in the heart of the European continent has reason to consider safeguards on border controls, free movement of labour and services, Britain has fewer reservations about the implications of the enlargement process. As a country which is distant from Central and Eastern Europe and rather isolated from the continent in geographic terms, it therefore adopts a much wider focus on enlargement than Germany. Especially since the events of Kosovo and September 11<sup>th</sup>, the British government strongly supports membership of countries, which are considered to be at or even beyond the margins of Europe. While the strong British support for Turkish membership is controversial amongst the present 15 EU member states, the British call to include the states from former Yugoslavia is met with huge scepticism, especially in Germany.

In his speech on the occasion of the reception of the Charlemagne prize in Aachen in 1999, Tony Blair had spoken of a ‘moral duty’ to extend the EU to the battered Balkan countries:

‘Events in Kosovo also bring home to us the urgency of enlargement. The things the front line states want from us above all else is the prospect of membership of the European Union. I do not underestimate the difficulties involved in extending enlargement to these countries, or in the necessary transition to their economies.

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<sup>586</sup> In his speech at the Polish Stock Exchange, Blair said: ‘I will be urging Europe’s political leaders to commit themselves to a specific framework leading to an early end of the negotiations and accession. I want to see new member states participating in the European Parliamentary elections in 2004 and having a seat at the table at the next IGC.’ (Prime Minister’s speech to the Polish Stock exchange, 6 October 2000, [www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32](http://www.number-10.gov.uk/news.asp?NewsId=1341&SectionId=32)).

<sup>587</sup> ‘Ambitions for Britain’, Labour general election manifesto 2001, p.38.

But I do believe we have a moral duty to offer them the hope of membership of the EU and move as fast as we can to make that prospect a reality.’<sup>588</sup>

The British government has since then remained committed to the long-term goal of not letting enlargement end at the borders of the present accession candidates. The former Minister for Europe, Peter Hain, now Secretary of State for Wales, only recently confirmed that the British government still sees Balkan countries such as Croatia, Serbia and Montenegro as potential EU candidates. This would be part of an attempt to ‘accelerate modernisation and democratisation in that part of the world’<sup>589</sup>. The British government has also been a strong advocate for early entry of the two CEE countries, which were not able to fulfil the accession criteria in the first place, namely Romania and Bulgaria. Britain hence pushed towards the acceptance of 2007 as a definite accession date for these two countries at the Brussels and Copenhagen summits. Foreign Secretary Jack Straw made clear in a press conference on October 23<sup>rd</sup> 2002 that the British government would see this as a necessary step in order to show that the EU is determined not to let enlargement end after the accession of the first 10 applicants:

‘Brussels must also agree in our view that European Union expansion is a continuing process, not a one off. Whether it is agreed at Brussels or at Copenhagen, we strongly support Romania and Bulgaria’s objective of a 2007 target date for entry into the European Union.’<sup>590</sup>

With regard to the case of Bulgaria and Romania, the British government was strongly supported by Germany.

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<sup>588</sup> ‘The new challenge for Europe’, Tony Blair’s speech at Charlemagne Prize reception, Aachen, 20 May 1999, [www.number-10.gov.uk/output/page\\_922.asp](http://www.number-10.gov.uk/output/page_922.asp).

<sup>589</sup> ‘The case for EU enlargement’, Statement given by FCO minister for Europe, Peter Hain, Westminster Hall, 16 April, 2002, [www.fco.gov.uk/news/newstext.asp?6136](http://www.fco.gov.uk/news/newstext.asp?6136).

<sup>590</sup> Government press briefing by the Foreign Secretary, 23 October 2002, [www.pm.gov.uk/print/page6361.asp](http://www.pm.gov.uk/print/page6361.asp).

German Foreign Minister Fischer told the *Frankfurter Rundschau* in the run-up to the EU summit in Copenhagen that the German government would 'support Romania and Bulgaria in their goal, to become members in 2007'<sup>591</sup>. The British-German support for the accession of Romania and Bulgaria was a crucial factor in setting out the objective of accession by 2007 in the Presidency conclusions of the Copenhagen summit<sup>592</sup>

While widespread consent between British and German elites exists that Romania and Bulgaria should become part of the EU before the end of the decade, Britain and Germany still disagree on the scope of the enlargement process. While the British hardly see any limits to the enlargement process as part of a desire to bring democracy and economic stability to as many parts of the European continent as possible<sup>593</sup>, German political elites are much more sceptical about the notion of an 'open Europe'. The issue of Turkish EU membership continues to be very controversial in Germany, with the red-green coalition only cautiously having agreed to open up a membership option. Although the government basically supports Turkish entry into the EU, it was not ready to go as far as the British, who wanted a 'firm date set'<sup>594</sup> for the beginning of accession negotiations with the country.

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<sup>591</sup> Interview with Foreign Minister Fischer in the *Frankfurter Rundschau*, 13 December 2002, <http://www.bundesregierung.de/index-,413.454707/Interview-von-Bundesaussenmini.htm>.

<sup>592</sup> See Copenhagen European Council, Presidency Conclusions, 12/13 December 2002, <http://ue.eu.int/newsroom/LoadDoc.asp?BID=76&DID=73774&from=EuropeanCouncil&LANG=1>.

<sup>593</sup> A Foreign and Commonwealth Office representative from the enlargement section, who prefers to be anonymous told me in February 2001 that there would be no official government line on where enlargement should end or which countries should definitely be excluded from the process (Interview with desk officer from the FCO enlargement section, 26 February 2002). The new Minister for Europe, Denis MacShane told the Foreign Affairs Select Committee during his first examination in December 2002 that the British government would support further waves of enlargement towards the Ukraine, Belarus, Moldova and the Balkan region (House of Commons Foreign Affairs Select Committee, Examination of Witnesses Mr Denis Mac Shane MP, Minister for Europe, Mr Peter Ricketts, Political Director and Mr Simon Featherstone, Head, European Union Department (External), Foreign and Commonwealth Office, 10 December 2002, question 64, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmfaff/uc176-i/uc17601.htm>).

<sup>594</sup> See 'Critical decisions for the EU', Address of Foreign Secretary Jack Straw to the Press Gallery of the House of Commons, 5 December 2002, <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1039013805106>.

Germany was much more cautious in this respect and sided with France, traditionally a sceptical country with regard to eastward enlargement, in only agreeing to the start of accession talks with Turkey in 2005, after the country's progress will have been reviewed again in 2004<sup>595</sup>. The British Prime Minister expressed his disappointment about the decision reached at Copenhagen<sup>596</sup>, but stressed that Britain would continue to support Turkish membership as part of a desire to include Turkey into the Western family of democratic nations:

'I believe it is massively in our interests to see Turkey as a modern democratic partner in Europe. For that reason, I have been urging our partners to offer Turkey a date to open negotiations for membership provided that the so called Copenhagen criteria are met.'<sup>597</sup>

For the British government, Turkish EU membership is indispensable in order to succeed in the efforts to maintain a link between the West and the Islamic world. Membership of the EU should prevent this country, which is situated at a crucial strategic position between Europe and the Middle East, from turning its back on the West and Europe, which, from the British point of view, would be a major setback in the fight against international terrorism:

'Britain has taken a lead in this and not just, as much of the press have reported, out of a geostrategic interest because Turkey obviously is a very important nation, but also because the Turks, who seek modernisation, who support democracy and human rights, are all looking to the EU for encouragement. Also, because the prize of having an Islamic or Moslem democracy operating internationally, abiding by European values, is an enormous prize.'<sup>598</sup>

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<sup>595</sup> *The Guardian*, 'Franco-German show of strength puts America and friends in their place', 14 December 2002 and *Financial Times*, 'Setback for Turkey over EU entry', 13 December 2002.

<sup>596</sup> At a press briefing in Copenhagen, Blair stated: 'Turkey would have liked an earlier date (...) Now I think it is always the case that people at these European Councils, I think we all know this, never get absolutely everything they want, but this is a huge step forward after four decades of trying.' (Press briefing during a doorstep interview in Copenhagen, [www.number-10.gov.uk/print/page6832.asp](http://www.number-10.gov.uk/print/page6832.asp)).

<sup>597</sup> Prime Minister's state on European Council in Copenhagen, House of Commons, 16 December 2002, [www.number-10.gov.uk/print/page6843.asp](http://www.number-10.gov.uk/print/page6843.asp).

<sup>598</sup> House of Commons Foreign Affairs Select Committee, Examination of Witnesses Mr Denis Mac Shane MP, Minister for Europe, Mr Peter Ricketts, Political Director and Mr Simon Featherstone,

The German government supports the British desire to take Turkey into the EU in order to prevent it from falling increasingly under Islamic influence instead of continuing a course of modernisation. Foreign Minister Fischer defended the government's principal support for Turkish membership against fierce criticism from the opposition in the *Bundestag*. Fischer pointed out that the EU would have a duty to offer Turkey a realistic perspective towards entry if it wanted to be successful in its attempts to prevent further terrorism against the West:

'Since September 11<sup>th</sup> the question of the Eastern border of the European Union has to be seen differently from before – we have to finally realise this – and the strategic threat to our security will basically come from this area (...) The decisive question will be: (...) Is there a big Islamic country that is able to take the path towards successful modernisation based on the principles of the rule of law and a market economy, yes or no? If Turkey succeeds in doing that, then this will be the most important success in the fight against international terrorism, more important than what we discuss with regard to the military budget and other things.'<sup>599</sup>

Chancellor Schröder justified the German government's position on Turkey by stressing that Turkey could have a crucial bridge function between Europe and the Middle East. Schröder emphasised that Germany would in the end only support Turkish membership if the country fulfilled all the membership criteria by 2004. However, to rule out Turkish membership in principle would amount to a cultural battle between Europe and the Islamic region:

'Turkey can – and I say again: if its citizens want it – become an important, maybe the most important bride between continental Europe and the Eastern Mediterranean (...). Who however approves Turkish membership of the Alliance, but rules out its membership of Europe – acts contradictory (...). Who wants to initiate a new cultural battle on the issue of Turkish accession – according to the

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Head, European Union Department (External), Foreign and Commonwealth Office, 10 December 2002, question 12, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmfaif/uc176-i/uc17601.htm>

<sup>599</sup> *Rede von Bundesaußenminister Fischer vor dem Deutschen Bundestag im Rahmen der Haushaltsdebatte*, 4 December 2002, [http://www.auswaertiges-amt.de/www/de/infoservice/ausgabe\\_archiv?archiv\\_id=3832&type\\_id=3&bereich\\_id=0](http://www.auswaertiges-amt.de/www/de/infoservice/ausgabe_archiv?archiv_id=3832&type_id=3&bereich_id=0).

motto: Christian West against Islam – tries to fool people to believe that Muslims could be kept out of our cultures and religions.’<sup>600</sup>

The CDU/CSU opposition in Germany strongly opposes the government’s position on the issue. Both parties have made it clear that they want to fundamentally rule of Turkish EU membership on the grounds that Turkey as a semi-Islamic nation would not fit into an EU, which is based on the values of Christianity and Enlightenment. The CDU European policy spokesman Wolfgang Schäuble has called on the government to stop sending false signals to Turkey, which would raise hopes that the country could become a EU member. Schäuble called for an honest admission on the part of Germany and the EU, that Turkey could not belong to the EU, because it would not be part of the historic set of values, which have developed in Central Europe:

‘The truth is however, that countries, like Turkey or also Russia, which are only situated in Europe to a smaller extent anyway, cannot belong to a European Union, which wants to be more than a free trade area. The European Union is based on a common history, corresponding values and a grown identity of the citizens in the member states. You cannot simply put this on. And therefore it is also not in the interest of the Turks to deny their own roots and to give up the Turkish identity.’<sup>601</sup>

The CSU is even fiercer in its opposition towards Turkish entry into the EU. CSU leader and Bavarian Prime Minister Stoiber has categorically ruled out Turkish membership of the EU, and has instead called on the EU to offer Turkey a special associated status, based on bilateral agreements.<sup>602</sup> Ingo Friedrich, member of the CSU’s leadership committee, has emphasised that Turkish membership would bring serious problems for both the EU and the country itself.

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<sup>600</sup> *Regierungserklärung von Bundeskanzler Schröder zu den Ergebnissen des Europäischen Rates in Kopenhagen*, Berlin, 19 December 2002, [www.bundeskanzler.de/Regierungserklaerung-.8561.455571/a.htm?printView=y](http://www.bundeskanzler.de/Regierungserklaerung-.8561.455571/a.htm?printView=y).

<sup>601</sup> ‘EU-Beitritt der Türkei ist “falsch und gefährlich”’, Interview with CDU European spokesman Wolfgang Schäuble, [www.cdu.de/ueber-uns/buvo/schaeuble/ws-271102.htm](http://www.cdu.de/ueber-uns/buvo/schaeuble/ws-271102.htm).

<sup>602</sup> *Süddeutsche Zeitung*, ‘Stoiber und Merkel gegen Aufnahme der Türkei in die EU’, 22 November 2002.

Friedrich argues that Turkey would not only be split between a European and an Islamic identity but would also be far too big with regard to the size of its population in order to fit into the 'delicate structural framework of the EU'. Moreover, Friedrich points out that a real prospect of EU membership might lead to the political break up of Turkey and to possible mass migration from neighbouring countries, such as Iran<sup>603</sup>.

Opposition to Turkish membership and to an unlimited expansion of the EU in general does however, also meet the opposition of members within the government's own camp. The German EU Commissioner Günter Verheugen, a former party chairman of the SPD, has warned about making promises on early entry for Turkey. Verheugen named the year 2013 as the earliest possible date on which Turkey would be able to join the EU without seriously disrupting EU business<sup>604</sup>.

The SPD MEP Gerhard Schmid, vice president of the European parliament is part of those within Schröder's party, who share the Conservative opposition's reservations about Turkish membership. Schmid told me in June 2001 that his opposition to Turkish membership is based on a general refusal to accept that the enlargement process should have no limits. Schmid is generally critical of the speed of the enlargement process, which he sees in danger of 'neglecting the effects on ordinary people'<sup>605</sup>. He would therefore like to see the process of enlargement come to an end after the accession of the 10 new member states in 2004 and would not only want to rule out the accession of Bulgaria and Romania, but also of Turkey or countries from any other regions, such as the Balkans. Like the CDU/CSU, Schmid believes that an unlimited expansion would only be possible if it would be a free trade area.

Because the EU is based on a social and cultural model, characterised by the participation of labour and solidarity mechanisms, as well as a set of values which developed out of the enlightenment and Christian belief, there would be limits to how

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<sup>603</sup> Interview with Ingo Friedrich, MEP, Gunzenhausen, Germany, 31 March 2001.

<sup>604</sup> *Süddeutsche Zeitung*, 'Zeitplan für Beitritt der Türkei bleibt strittig', 10 December 2002.

<sup>605</sup> Interview with Gerhard Schmid, MEP, Regensburg, Germany, 18 June 2001.

far it could absorb countries from different cultural areas. Schmid therefore would even reject the membership of a fully democratic and modernised Turkey<sup>606</sup>.

This shows that in terms of the definition of the extent of Europe a fundamental gap between British and German elites remain, as the uneasiness about enlargement of the EU into a Community of 27 and more is still met with great scepticism amongst representatives from any political direction. In this respect Germany will always be slightly closer to France than to the British perspective.

While Britain favours an EU which includes as many countries as possible as a safeguard against instability and ethnic conflict, France and Germany are much more concerned about the negative effects of such a Europe 'from the Atlantic to the Ural'. For France, the main fear is that it might be increasingly marginalised in its leadership role in a Union, which continues to enlarge.

France has traditionally had closer links with the Southern Mediterranean countries than to the countries of Central and Eastern Europe. The fear that Germany might become the centre of attention in such a Europe, and form leadership coalitions with other big member states, such as Poland and the UK, is still prevailing amongst the French political elite (Guérin-Sendelbach and Schild, 2002, p.51). From the German perspective, the major concern with regard to a swift enlargement process, which goes beyond a Europe of 27 or even 25, is an ever-increasing financial burden on the existing member states, especially Germany itself. Moreover, amongst the opponents of further enlargement in Germany, a widespread feeling exists that the political elite in Europe would expect too much from the citizens in present member states, if they continued to enlarge the EU further and further. As MEP Gerhard Schmid made clear in his press release on Turkish membership in 2001

'An endless enlargement would weaken the EU and in the end lead to its destruction. What would then remain would be nothing else but a gigantic, Eurasian free trade zone with an intensive political co-operation of its member states (...).

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<sup>606</sup> Ibid.

(...) Above all, a democratically drawn up EU cannot be enlarged arbitrarily (...). The European Union, in which solidarity amongst its members and associated financial transfers have to exist, will only last, if this is indeed supported by its citizens.<sup>607</sup>

For Germany as a country which finds itself in the immediate geographical neighbourhood of the applicant countries, the discussion about enlargement has been and will continue to be more controversial than in the British case.

Britain is the only EU member state which not only has established bilateral action plans with every single candidate country, which provide financial support in order to speed up the accession process<sup>608</sup>. It has also abstained from demanding transitional periods for the 10 new member states. As a result, citizens from each of the ten new member states will be allowed to move to and work in the UK once their countries have joined the EU in 2004<sup>609</sup>. Because of its geographical proximity to the new members, Germany, on the other hand, had to insist on a transitional period on the free movement of people and services in order to calm domestic fears about mass immigration and the influx of cheap labour, especially in the border regions.

Although Germany has hence sided with France on slowing down the accession process of Turkey and has insisted on transitional periods for the new member states, it is still a fully committed supporter of enlargement. Further waves of enlargement would certainly find less German support under a government led by a CDU/CSU Chancellor than under the present leadership.

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<sup>607</sup> *'Teilnahme der Türkei am Ratstreffen in Malmö – Ein falsches Signal'*, Press release by Gerhard Schmid, vice president of the European Parliament, 25 April 2001, [www.euroschmid.de/TEXTE/01-04-25\\_turkei-beitritt.html](http://www.euroschmid.de/TEXTE/01-04-25_turkei-beitritt.html).

<sup>608</sup> See 'The case for EU enlargement', Statement given by FCO Minister for Europe, Peter Hain, Westminster Hall, 16 April 2002, [www.fco.gov.uk/news/newstext.asp?6136](http://www.fco.gov.uk/news/newstext.asp?6136).

<sup>609</sup> House of Commons Foreign Affairs Select Committee, Examination of Witnesses Mr Denis Mac Shane MP, Minister for Europe, Mr Peter Ricketts, Political Director and Mr Simon Featherstone, Head, European Union Department (External), Foreign and Commonwealth Office, 10 December 2002, question 32, <http://www.publications.parliament.uk/pa/cm200203/cmselect/cmfaaff/uc176-i/uc17601.htm>

However, any German government would be interested in working towards the swift integration of the 10 new members which will join in 2004. In spite of their different approaches to the enlargement issue, Britain and Germany are therefore the two larger member states among the present 15, which have a definite interest in successfully concluding the accession of the ten candidates (and very likely Romania and Bulgaria in 2007). In this respect, they have a number of corresponding interests related to the process.

Both the UK and Germany are basically in favour of fundamental reform of the Common Agricultural Policy. This will therefore be an issue, which will definitely be on the agenda again, once the first members states have gained entry and the accession of further member states loom. Especially Britain will continue to press the other EU member states on the issue and is likely to win support not only from the new members but also from the German side once its domestic problems have eased. The Prime Minister has made clear that the Franco-German compromise on a limit for CAP spending is not an acceptable substitute for substantial reform of the structure of CAP:

‘(...) There were two quite separate aspects to the French-German deal (...).

The positive one was to put a cap on CAP spending after 2006 (...). What is unacceptable as the price of that though, is that you take Common Agricultural Policy reform prior to 2006 off the table.’<sup>610</sup>

In Germany, the discussion about CAP reform is certainly driven much more by the issues of environmental and consumer protection, areas which have traditionally been more important in Germany than in any other member state and which are kept on the agenda by the Green Party, especially by the agricultural minister Kühnast. However, both Britain and Germany favour reform of the CAP towards deregulation and market liberalisation in order to bring it in line with WTO standards. As Peter Hain stressed during his examination at the House of Commons Foreign Affairs committee in July 2002, Britain wants a system that is close to the proposals of the German agricultural ministry.

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<sup>610</sup> Prime Minister’s press conference, 5 November 2002, [www.pm.gov.uk/print/page6475.asp](http://www.pm.gov.uk/print/page6475.asp)..

Such a reformed system would have to focus on encouraging competitiveness and support for rural life in general, leading to a fairer deal for the developing countries within the WTO system:

‘There is quite a long way to go on all of this, but we want to see a situation where direct payments supporting production, often wastefully and artificially, are replaced by development assistance to support the rural economy, rural enterprise including agriculture, diversification, value added products and so on, so that Europe’s agricultural sector becomes much more modern and competitive, and that is the way we would want to see it go (...). A very important factor in all of this which is often neglected is opening up markets to developing countries. If we are serious about poor countries in Africa, for example, being able to generate strong economies and create strong economies which make them less dependent on ourselves for aid and help them to escape from poverty, then we need to have a Europe which is not a fortified Europe against poor countries but one that lifts its tariffs and its agricultural barriers including massive bloated subsidies.’<sup>611</sup>

The essential consensus between Britain and Germany on the issue, which has temporarily been blurred by the Franco-German compromise at Brussels, is therefore a strong fundament for a future initiative on real reform. Should such an initiative find the support of a number of the new member states after 2004, France could indeed finally find itself sidelined by a large reform coalition on CAP, led by Britain and Germany. The strong British support for EU enlargement is consequently also rooted in the hope that new member states will further weaken the influence of traditional interests and alliances, such as that of France on CAP. As the Prime Minister stressed in his assessment of the Copenhagen results, Britain supports the accession of new members from Central- and Eastern Europe because these countries would show a similar reluctance to accept centralism and protectionism as the British:

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<sup>611</sup> House of Commons Select Committee on European Scrutiny, Examination of Witnesses, Rt Hon Peter Hain MP and Mr Nick Baird, 16 July 2002, <http://www.publications.parliament.uk/pa/cm200102/cmselect/cmeuleg/1112/2071601.htm>.

‘The new member states are countries who have only recently rediscovered their national identity. They, like us, will want the further integration of the Union to be firmly rooted in the democratic accountability of the nation state. They shall be our allies in developing a European Union on those lines.’<sup>612</sup>

Germany and the UK also have a common interest in enhancing security in Europe as a result of the enlargement process. Both countries support the accession of the new member states in order to integrate them into a common security framework, which will combine enhanced co-operation on defence and justice and home affairs.

In this respect, it is important to note that the British government is now ready to agree to an extension of QMV to most matters concerning justice and home affairs. However, Britain still wants to retain control over its own national borders and simply enhance co-operation between border police services on an intergovernmental level<sup>613</sup>. As the Prime Minister stressed, this could result in the development of a fully integrated Justice and Home Affairs pillar in an enlarged EU, where the member states co-operate ever closer on the fight against crime and terrorism:

‘I do believe it is time to communitise much of the Justice and Home Affairs Pillar (...). It will mean integrated and effective action on issues to do with organised crime, drug dealing, asylum and immigration that affect all of Europe, cause huge distress and difficulty and cannot seriously be tackled by nations alone.’<sup>614</sup>

The new British stance on JHA in the run-up to the accession of the first CEE member states corresponds with the German position, with the exception that Germany would also like to see the development of an integrated European police force as part of the

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<sup>612</sup> Prime Minister’s statement on the Copenhagen European Council, 16 December 2002, [www.number-10.gov.uk/print/page6843.asp](http://www.number-10.gov.uk/print/page6843.asp).

<sup>613</sup> See House of Commons, Foreign Affairs Committee, Examination of Witnesses, the Rt Hon Jack Straw MP, Peter Ricketts CMG and Mr Kim Darroch, 13 March 2002, questions 5 and 8, [www.publications.parliament.uk/pa/cm200102/cmselect/698/2031304.htm](http://www.publications.parliament.uk/pa/cm200102/cmselect/698/2031304.htm).

<sup>614</sup> ‘A clear course for Europe’, Speech by the Prime Minister to an audience in Cardiff, 28 November 2002, [www.number-10.gov.uk/print/page6710.asp](http://www.number-10.gov.uk/print/page6710.asp).

harmonisation of border controls<sup>615</sup>. Britain and Germany are nevertheless closer on the issue of the harmonisation of JHA than ever before.

This is also the case with regard to the economic interests in the enlargement process. Whereas trade with the CEE region has traditionally been less important for the UK than for Germany (Lippert, Hughes, Grabbe and Becker, 2001, p. 9), its importance for British businesses and industry continues to grow.

In 2001, Poland and the Czech Republic were ranked at the lower middle of Britain's top 50 export markets<sup>616</sup> and the British government estimates that the enlargement to the first group of new members will boost the British GDP by up £2 billion<sup>617</sup>. Although the UK's economic links with the region are not as strong as those of Germany at present, they are likely to gain greater importance for British business and industry after 2004.

In contrast to France, which has reluctantly agreed to the process to slow it down as much as possible, Britain and Germany share a lot of common interests on enlargement. Both support the model of an EU which goes beyond that of the present 15 member states and brings in those countries which had been imprisoned behind the Iron Curtain for more 40 years, while the French would prefer to focus on the deepening of integration amongst the present 15 members<sup>618</sup>. The enlargement process offers British and German leaders the chance to realise their ambition to enhance security and stability for the European continent, an issue which has become crucial in the face of the post-September 11<sup>th</sup> global situation.

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<sup>615</sup> see 'Erneuerung, Gerechtigkeit, Nachhaltigkeit – Für ein wirtschaftliches starkes, soziales und ökologisches Deutschland. Für eine lebendige Demokratie', Koalitionsvertrag SPD-Bündnis90/Grüne, 16 October 2002, p. 79, <http://www.bundesregierung.de/Regierung/-431/Koalitionsvertrag-I.-Praeambel.htm>

<sup>616</sup> National Statistics: Monthly review of External trade statistics, October 2002, HM Stationary Office, [http://www.statistics.gov.uk/downloads/theme\\_economy/Mm24\\_Oct02.pdf](http://www.statistics.gov.uk/downloads/theme_economy/Mm24_Oct02.pdf).

<sup>617</sup> Government press briefing by Foreign Secretary Jack Straw, 23 October 2002, [www.pm.gov.uk/print/page6361.asp](http://www.pm.gov.uk/print/page6361.asp).

<sup>618</sup> Jacques Chirac stressed in his speech in the German *Bundestag* in June 2000 that the process of enlargement should not be swift, but rather a gradual, emerging process, in which new Community members fit into the existing framework of the EU (*Rede von Jacques Chirac, dem Präsidenten der Republik Frankreich, vor dem Deutschen Bundestag, 27 June 2000*, [www.bundestag.de/cgi-bin/druck.pl?N=default](http://www.bundestag.de/cgi-bin/druck.pl?N=default)).

Moreover, an enlarged EU holds the prospect of shifting the centre of gravity towards new leadership coalitions, which could make it easier for both Britain and Germany to achieve the fundamental institutional and procedural reforms they strive for. Especially for Britain, an enlarged EU offers the chance to reposition itself within the Community and to become one of the leading address contacts for the new member states besides Germany. In spite of their different approaches and interests in the process, the British and German drive towards reform will be crucial for the successful integration of the first 10 members in 2004. Both countries are also likely to be the main advocates for further waves of enlargement, although admittedly with a different degree of enthusiasm, which is bound to be less in the German case, as long as its economic performance remains poor. Overall, however, enlargement remains the one major EU project, on which British-German co-operation is not only most likely to occur, but where it is also indispensable in order to make the process work.

## **Chapter 5: Conclusion: The significance of British-German co-operation for the future of the EU**

At the end of a comparative analysis of British and German interests in EU reform and enlargement the question remains why the results of such a study will be of any significance to the future of the Community. As shown in chapter one, a consensus seems to emerge among analysts of the nature of the EU, which characterises the EU as a mixture of intergovernmental and supranational elements. The member states governments still continue to determine the strategic direction of the Union, but they are no longer in full control of the details of policy-making on the micro level, which they have increasingly transferred into the hands of the Community institutions. The emerging picture is therefore one of a system of a growing multiplicity of responsibilities and a division of powers amongst various levels.

Because Nation states remain the principal actors in this system of multiple power sharing, the EU continues to be based on a strong intergovernmental base. However, as Peter Katzenstein points out, 'the Europeanization of that context has itself become very important for how states (...) conceive of their national interests' (Katzenstein, 1997, p. 19).

Each member state's European policy priorities are hence still decided on the domestic level, but the process of preference formation is increasingly influenced by transnational factors, such as Community rules and obligations, which are an inevitable part of the membership in an international organisation like the EU. Moreover, the development towards the 'erosion of the defining features of the Westphalian system' (Hyde-Price, 2000), means that nation states are no longer the autonomous actors they used to be before they decided to pool their sovereignty as part of the process of European integration. As members of the EU, the countries of Europe are deeply embedded in a complex system of fine balances, which is in a constant process of change. Their interests and preferences will nonetheless remain crucial for the integration process, as member state institutions, such as national parliaments and governments, continue to provide the legitimate basis, which links the Union with its citizens.

However, in the EU of the 21<sup>st</sup> century, which will comprise 25 members in 2004 and possibly a greater number thereafter, a single bilateral relationship, like the Franco-German alliance will no longer be able to exercise the influence it could in the initial Community of the six. Instead, a regularly changing pattern of multiple working relationship between various member states is likely to emerge, which makes an assessment of individual member state European policy interests with regard to correspondences more important than ever. Britain and Germany, who are both undergoing a process of redefinition in terms of their traditional post-war role in Europe, are a significant example of how the process of European integration changes the national preferences of member states.

Germany became a larger and fully sovereign nation once again in 1990, when the two German states were peacefully reunited as part of the fall of the Iron Curtain and the end of the Cold War. With the move of Germany's centre of political power from Bonn to Berlin, it became obvious that Germany had returned to its central position in Europe. It has therefore once again adopted the role of a bridge between Western Europe and the aspiring new member states from Central and Eastern Europe. Situated 'at the heart of a Europe growing together' (Hyde-Price, 2000, p. 4), the unified Germany has become the centre of Europe's attention, both from the Western and the Eastern perspective and consequently a crucial player in the process of enlargement. The logical consequence, which became part of Germany's inevitable post-unification re-positioning in Europe, is the willingness to take on greater responsibilities for Europe's security. As part of having regained the full sovereignty over their country's internal and external affairs, the new generation of post-war German leaders, which had come into power after the end of the Kohl era in 1998, therefore gradually abandoned the constraints that characterised the semi-sovereign West German Bonn Republic.

The tragic events in Kosovo in 1998/1999 and the terrorist attacks on the United States on September 11<sup>th</sup> 2001 gave the German government the chance to prove that the new chapter in Germany's foreign policy would last and not simply remain an episode.

For the first time since the Second World War, German troops were actively engaged in combat missions and hence fully shared the risk of military engagement with their partners in Europe.

As a consequence, of this 'normalisation' of its foreign policy, Germany now holds the same rights and responsibilities as any other EU member state and is no longer trying to buy its freedom from military risks. With this comes a greater readiness on the part of the German elites to defend their own national interests against other EU member states. Germany has consequently also become more 'normal' in openly speaking up for its interests like any other country in Europe. The pretence not to have any national foreign policy interests other than the deepening of European integration, which had been maintained by the leaders of the Bonn republic to an almost unnatural extent, has come to an end as part of this process of 'normalisation'. Without having abandoned its traditional focus on multilateralism, Germany has consequently brought its foreign policy in line with the changes in its post-unification status as a sovereign state. The country has therefore made a transformation which was inevitable in order to avoid a situation where its increased external political weight would fundamentally contradict a foreign policy stance in which 'neighbours and partners would no longer simply buy the moralising confessions of post-national altruism' (Mertes, 2002, p. 21).

The UK has undergone a similar transformation. After 18 years of continuous Conservative rule, during which European integration was seen mainly as 'a threat to the heart and the soul of Britishness' (Young, 1998, p. 375), the British people elected the most pro-integrationist British government since the Second World War in May 1997. The New Labour administration shares none of the traditional fundamental objections against European integration and has agreed to more pro-integrationist measures (e.g. the Social Chapter, the Rapid Reaction Force and a substantial extension of QMV) than any previous British administrations. It has also started to reform the political structures of the UK along the lines of the political framework of continental European states.

The decision to make the Bank of England independent and to give it control over the setting of interest rates is an important precondition for possible British membership of the eurozone. Moreover, through devolution, which gave regional assemblies to Scotland and Wales and will possibly be extended to English regions at a later date, the government has initiated a process of decentralisation within the British state, where power has traditionally been centred in Westminster. Although it is still a cautious government with regard to Europe in comparison to most other continental administrations, its election marked a fundamental shift in British behaviour within the EU.

While towards the end of the Major administration, Britain had been isolated within the EU, as a result of a fundamental rift on European issues within the government and the Conservative party, the country has become an active player in the EU policy-making process and reform discussion under New Labour. Britain took a leading role in the establishment of a European Rapid Reaction force as a result of the events in Kosovo in 1998/99. It has also become strongly engaged in the discussion about the reform of the EU in the run-up to enlargement in 2004, both inside and outside the Convention on the Future of Europe. Like for most other member state governments, there are certainly still limits as to how far the British government is willing to agree to the pooling of national sovereignty on the EU level. This is especially understandable if one considers the British domestic political background, where the commitment to further European integration is still mainly discussed with regard to the loss of national sovereignty, much more so than in any other EU member state.

In spite of this continuing scepticism towards the EU at home, the British government has therefore expanded the scope for British engagement in Europe substantially.

The process of change in both British and German European policy certainly comes with a number of unresolved problems, the solution of which will be crucial for both countries' standing in Europe. Germany continues to be troubled by economic and financial problems, which, contrary to the expectations of the early 1990s, have not improved but have got significantly worse in the more than ten years since reunification.

The former economic powerhouse of Europe is now no longer the economic role model it used to be and is likely to endanger its traditional post-war leading role in Europe if it does not manage to stop its economic decline. Ironically, the main worry for Germany's European partners is therefore no longer the possible threat of a 'German Europe', but the failure of Germany to exercise its traditional leadership role.

Michael Mertes therefore rightly concludes that for the rest of Europe, it is 'no longer the German strength, but the German weakness which is a cause for concern today':

'Ten years ago, the anxious question was if Europe would be able to cope with the unified Germany. Today, on the evening before enlargement, it would have to be: is Germany able to cope with an enlarged Europe? Does it remain tailender in many areas – or does it manage to depart towards ambitious reform targets?

Will it become the locomotive again – or does it continue to break the European train with its heaviness?' (Mertes, 2002, p. 24).

The improvement of its economic performance, based on a fundamental reform course regarding the structures of its national economy and social system will be indispensable for Germany, if its leaders want to achieve the ambitious European policy goals they have set out. The new German commitment to full military burden sharing as part of the development of a European Rapid Reaction Force and, possibly an integrated Common Foreign Security Policy, will only be credible if the German government is able to substantially boost its domestic spending on defence. To restructure the *Bundeswehr* simply in terms of cost-saving will be no acceptable substitute for a fundamental reform of the German army, which will have to be based on effective and well-funded crisis deployment forces, as part of an end to compulsory military service. Without the latter, Germany will not be able to exercise its desired role as a pacemaker in the development of an effective CFSP framework for the EU, because it will not be seen as a serious player on this issue by its European partners (Janning, 2002, p. 14).

A persistently weak economic performance and a failure to push through fundamental reform would also undermine the German government's influence on the discussion about economic reform and liberalisation in Europe.

As a member state which continues to remain below the European average with regard to its annual growth, Germany will not be able to convince others in the EU to support its proposals for economic reform. This is especially important in terms of the role Germany will be able to play in the enlarged EU after 2004. The German economic weakness is a big factor in the general economic weakness of the EU as a whole and the lack of global confidence in the euro.

The psychological impact of a lack of German economic confidence and a failure to avoid falling deeper into economic recession would consequently not only seriously endanger the long-term economic success of the eurozone as a whole. Above all, it would gradually cause the prospective member states in Central and Eastern Europe to shift their focus away from Germany towards other member states with a better economic performance, such as the UK.

German leaders therefore not only have to seriously worry about the consequences of Germany's weak economic results on the standard of life for German domestic life, but will especially have to consider the long-term political impact of such a development. As David Marsh argues, Germany is in danger of losing its traditional economic role model status to other, economically more flexible member states, with a potentially serious impact on its influence in Europe:

'Today, no German company is anywhere near the top 10 and Deutsche Bank has been outstripped by rivals in Britain, Switzerland and France. The lacklustre performance of the euro (...) has undoubtedly helped exporters, yet the negative psychological effects have contributed to flagging confidence.' (Marsh, 2002, p. 2)

There are hopeful signs that the German government has finally realised the extent of the problem. Chancellor Schröder emphasised in his New Year's message to the German people on December 30<sup>th</sup> 2002 that Germany would have to be ready for change if it wanted to maintain its traditionally strong position in an enlarged EU:

‘If we want to maintain what has really made us strong in Germany and in Europe, we have to initiate the necessary changes resolutely (...) We will only be able to maintain our prosperity, our social security, our good schools, streets and hospitals – which are the envy of so many peoples – if we consider our strengths and together find the courage for fundamental changes.’<sup>619</sup>

Germany’s future role in an enlarged EU will hence stand and fall with its economic performance, based on the willingness to undertake serious reforms and to abandon cumbersome and growth-inhibiting elements of the traditional post-war German economic system of *Rhenish capitalism*. A strong national economy will be the basis for the maintenance of its post-unification role as a self-confident promoter of multilateralism and the further deepening of European integration.

Only through substantial economic recovery will Germany also prevent itself from ending up imprisoned in a revived Franco-German alliance, which returns to the pre-unification situation, where Germany acted as the junior partner of a France, which is once again bursting with self-confidence. The recent Franco-German compromise on agriculture at the Brussels summit has shown that, in the face of its present weakness and overwhelming domestic problems, Germany is not able to exercise leadership on controversial issues but rather limits itself to agree to half-hearted compromises. New opportunities for German leadership in an enlarged EU will therefore only occur if German European policy is based on a sound economic footing.

The same is true for Britain. To assume that the change in attitude towards European issues under the present British government would be sufficient to secure the UK a place amongst the EU’s top rank of leaders would be an illusion. On the contrary, as long as a fundamental gap between the rhetoric and the attitude of British leaders on the EU level and the widespread domestic scepticism towards Europe in Britain persists, the country will only remain a second-class player in the Community.

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<sup>619</sup> *Neujahrsansprache von Bundeskanzler Schröder zum Jahreswechsel 2002/2003*, 30 December 2002, [www.bundestkanzler.de/Findulin-Spiel-.8442.456970/a.htm?printView=y](http://www.bundestkanzler.de/Findulin-Spiel-.8442.456970/a.htm?printView=y).

Through a policy 'which draws Britain closer to its neighbours on the continent' (Paterson, 1999, p. 271), the Blair administration has certainly managed to convince Britain's European partners that, under New Labour, it is possible to do business with the UK. On the other hand, the continuing portrayal of Brussels as the root of a conspiracy against the British economic and political independence by the large sections of the British media and the Conservative opposition, has prevented the UK from becoming a seriously committed player in Europe in the eyes of most of its continental neighbours.

When speaking to German political representatives, a general consensus emerges that the Blair administration's attempts to lift the 'fog in the channel' between continental Europe and the UK have so far not been sufficient to transform the image of the country as a reluctant European. In this respect, the emphasis from the German side is put on the lack of support for the British government's pro-European attitude amongst the British public, media and the majority of the Conservative Party. Social Democrat MEP Gerhard Schmid stressed that, from the continental perspective, the British government's claim to be committed to Europe still lacks credibility, as long as a majority of the British public and the British political elite continues to cling to the self-deception that Britain is still a global power.

This would include Britain's refusal to make a decision between a stronger commitment to Europe and its traditionally strong transatlantic ties with the United States, which would result in 'having one foot in Europe and one foot on the other side of the Atlantic'<sup>620</sup>. The Bavarian CSU MEP Ingo Friedrich pointed out that the fact alone that Britain is now led by a basically pro-European government would not be sufficient to shed its traditional post-war role as an 'obstructor of progress in the EU'<sup>621</sup>. For Friedrich, the UK would only have a realistic change to realise its leadership ambitions in Europe, if a basically co-operative attitude towards European integration would not be limited to the majority of the governing Labour party and the

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<sup>620</sup> Interview with Gerhard Schmid, MEP and vice president of the European Parliament, Regensburg, Germany, 18 June 2001.

<sup>621</sup> Interview with Ingo Friedrich, MEP, vice president of the European parliament and member of the CSU leadership, Gunzenhausen, Germany, 31 March 2001.

Liberal Democrats, but would be shared by the Conservatives as the main opposition party and the British public.

Especially with regard to the crucial issue of membership of the eurozone, Friedrich insisted that a clear majority for entry amongst the British public and the majority of the political elite would have to exist in order to make Britain's full European commitment credible. In the end it would all boil down to the fact that 'those member states, who are expected to agree to be led have confidence in the pro-Europeanness of the member state, which aspires to lead'<sup>622</sup>.

The positive changes made under New Labour with regard to British European policy cannot deflect from the fact that the government has so far failed to bridge a persistent gap between government policy and public opinion on Europe. A long-term comparative survey by opinion pollster MORI shows that the number of British people who would vote for staying inside the EU, if there would be a referendum on British EU membership, has never exceeded 62% since 1997. In the latest surveys on the issue in May 2001, only a small majority (51%) of those questioned would vote in favour of staying inside the EU, while 49% would vote to get out. Two months earlier, the poll even recorded a slight majority (52%) in favour of leaving the EU<sup>623</sup>.

The government has thus failed to create a political climate in Britain, in which membership of the EU is seen as beneficial and strong engagement is backed by a substantial majority of the British people. Instead, the perception still prevails that Britain's EU membership comes with a number of substantial disadvantages for the country, especially in terms of a loss of national control over the country's own domestic affairs and the financial contributions to the EU budget. This has not been helped by the Prime Minister's personal focus on the transatlantic partnership with the United States. Although Blair insists that Britain would not have to make a choice between Europe and America, the government's closeness to the U.S. on foreign policy issues has not contributed to improving its credibility in Europe.

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<sup>622</sup> Ingo Friedrichs interview.

<sup>623</sup> MORI long-term comparative poll on European Union membership 1975-2001, [www.mori.com/europe/mori-eu-ref.shtml](http://www.mori.com/europe/mori-eu-ref.shtml).

It can also only have strengthened the prevailing perception amongst the British public that Britain's main interests are still anywhere else but in Europe.

The government's failure to make the case for Europe is especially obvious with regard to the debate about possible membership of the euro, the outcome of which will be crucial for Britain's future standing in the EU. Although a public referendum on the issue is still possible in 2003, after the outcome of the five economic tests have been announced by the Chancellor, the chances that the government will be able to overcome public opposition against entry are getting slimmer every day. Because the government has so far left the argument on the issue largely with the (mainly Eurosceptic) media, public opinion against entry into the eurozone seems to have hardened. Opinion polls show a persistent negative trend against euro entry since 1999, with between 50-60% of the British public intending to vote against membership of the eurozone in a referendum and only 30-40% voting in favour. The latest MORI poll in November 2002 reports 31% in favour of the euro, with 51% against<sup>624</sup>.

These results are largely due to of the government's failure to make the political case for euro entry and to focus solely on economic criteria instead. A gap has consequently opened up between the public debate on the euro, where constitutional issues such as the loss of economic and political sovereignty as part of EMU membership are in the foreground, while the government continues to insist that Britain will join if the five economic tests on the euro have been met.

On the background of general scepticism about the benefits of British membership of the EU, it is not surprising that the negative public attitude towards the euro prevails as long as the government does not engage in a serious public debate about the political benefits of euro entry, such as the gain in political influence as a fully committed member state.

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<sup>624</sup> MORI financial services poll on voting intentions in a euro referendum, 20 November 2002, <http://www.mori.com/polls/2002/sssb-nov.shtml>.

The former cabinet minister Mo Mowlam, who has turned into one of the biggest critics within the government's own political ranks, made an important point when she called on the government to finally start to make the political case for entry into the eurozone:

‘On the issue of the euro, we need to grow up. Whether or not we should join the euro is not an economic issue but a political one. If the Government believes in Europe, it should make the case to the people. We need a Chancellor who can make this clear and who stops hiding behind economic tests’<sup>625</sup>

The apparent disagreement between the Chancellor and the Prime Minister on how to deal with the issue is in danger of seriously undermining the government's intentions to bring the issue to a successful conclusion.

As long as the Treasury continues to insist that the decisive factor for euro entry must be economic advantages<sup>626</sup>, while the Prime Minister obviously considers the political aspects to be more important, but chooses to remain silent, mixed signals are sent to the British public and Britain's European partners. Even if the government decides to postpone a referendum on the euro once again in 2003 on the grounds that the five economic tests have not been fully met, it is not likely to improve the situation, neither domestically nor inside the EU. The government is in danger of becoming trapped into a vicious circle on the issue. The principally sceptical attitude of the British people towards membership of the EU could only be overcome if the government would be able to prove that Britain is indeed a leading player inside the Community, hence strongly influencing EU decision- and policy-making on all levels. As long as it remains outside the eurozone, however, Britain will remain a second-class member state and never be able to get into a position where it can exercise leadership on all fronts.

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<sup>625</sup> ‘Why Gordon must never be PM’, Mo Mowlam comment in the *Observer*, 5 January 2003.

<sup>626</sup> *The Times*, ‘Economics “must be deciding factor on euro”’, 5 December 2002,.

Especially on the issues of institutional and economic reform, especially the reform of the Stability Pact and the ECB, other member states will not be ready to follow the advice of a country, which does not share the risks and constraints that come with the major project of Economic and Monetary Union. This will be even more so the case in an EU of 25 and more members in which, as soon as they manage to fulfil the Maastricht criteria, the membership of the eurozone will also grow substantially.

Although, once inside the eurozone, Britain could potentially<sup>627</sup> become a leading player within an enlarged EU, it is also more than likely that it will be increasingly sidelined once the new members have joined the euro.

As Andrew Rawnsley pointed out in the *Observer*, with the EU facing the first wave of enlargement in 2004, the British government should beware of delaying the decision on the euro for much longer:

‘The new entrants to the European Union are all gagging to join the single currency. If Mr Blair does not realise his ambition before the next election, it is entirely plausible that he will be in a minority of one among 25.’<sup>628</sup>

Like in the case of Germany, with regard to its urgent need of structural reform, the British government seems to have grasped the scope of the decision on the euro. As the Prime Minister stated in his 2002 New Year message, with regard to entry into the eurozone, Britain ‘will face what may be the single most important decision that faces this political generation’<sup>629</sup>. The question remains, will the government finally draw the necessary conclusions from this insight in order to secure the leading position for the UK, which it should have taken up a long time ago and definitely try to achieve in a larger EU.

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<sup>627</sup> The practical accomplishment of this goal would certainly also depend on the willingness of French leaders to accept Britain at the leadership table. A British leadership role, which would aim at generally sidelining French interests is unlikely to be successful under the present circumstances, as it would meet the opposition of Germany. More likely would be a leadership triangle between Britain, France and Germany.

<sup>628</sup> ‘*Why Tony didn’t laugh at Gordon’s joke*’, Andrew Rawnsley comment, *The Observer*, 1 December 2002.

<sup>629</sup> ‘A year of challenge’, Prime Minister’s New Year message, 31 December 2002, [www.number-10.gov.uk/print/page6904.asp](http://www.number-10.gov.uk/print/page6904.asp).

It will be crucial for the whole of the EU that Britain and Germany overcome these domestic constraints, in order to be able to fill the leadership gap, which has opened since the traditional motor of the EU, the Franco-German relationship started to disintegrate.

In spite of renewed recent public displays of harmony between French and German leaders, both countries cannot conceal the fact that fundamental disagreements on major European issues exist between them and that they no longer share the same European policy priorities. France continues to act as the brake pad on institutional reform, especially with regard to the crucial overhaul of the Common Agricultural Policy.

In this respect, it is clear that France continues to act as the guardian of the current setting of the EU, trying to preserve the structural funds for the Southern periphery amongst the member states and refusing to abandon the costly agricultural system of artificial price support and funding for mass production. Germany, on the other hand is much more outward looking and sees enlargement as an important process in terms of its own national interests and in the interests of the whole of Europe. Chancellor Schröder stressed once again in his New Year message for 2003 that Germany remains committed to the enlargement process:

‘Something about which our ancestors could only dream – to be able to build a common Europe – has now become a tangible reality. This helps us politically and it provides our economy with new opportunities. We all can take part in turning Europe into a continent of peace, freedom and prosperity.’<sup>630</sup>

While France continues to side with those among the present 15 member states, who are opposed to structural and budgetary reform in the EU, Germany pushes towards a fundamental overhaul of the EU’s structures. Side by side with the UK, German leaders want to make sure that the EU will still remain effective with 25 members and more.

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<sup>630</sup> *Neujahrsansprache von Bundeskanzler Schröder zum Jahreswechsel 2002/2003*, 30 December 2002, [www.bundestkanzler.de/Findulin-Spiel-.8442.456970/a.htm?printView=y](http://www.bundestkanzler.de/Findulin-Spiel-.8442.456970/a.htm?printView=y).

In the 1990s, a fundamental rift on French and German interests in the EU has thus opened up. On the one side of the divide, France is leading a group of (mainly Southern European members) which are cautious about reform and enlargement and would rather prefer to deepen political and economic integration amongst the present 15 and within the present structural framework. On the other side, Germany and Britain are promoting a larger and reformed EU, which ends the political and economic divide between East and West in Europe. Due to its geographic proximity to the CEE region, Germany is certainly much more cautious and selective than the UK towards swift enlargement beyond the first 10 applicants, which will join in 2004. France is therefore not completely sidelined in the process, as it can make use of the reservations held by parts of the German public and political elite towards further enlargement.

On the other hand, these individual occasions, such as in the case of Turkey, where Germany does rather support the French caution towards determining a swift accession date than to go along with British demands, cannot hide the fact that the traditional post-war consensus between France and Germany on European integration has come to an end.

In the post-war period up to Maastricht, French and German leaders had been able to form a good working relationship, which aimed at advancing the process of European integration both in political and economic terms. The end of the Cold War and the reunification of Germany changed the long-established balance between the two partners, where France provided mainly political and Germany mainly economic leadership. With the larger Germany now being situated at the heart of an EU, which finds more and more of the Eastern countries, which have established close relations with Germany as part of the *Ostpolitik*, knocking at its door, Germany has undoubtedly gained in political stature. The resulting end of the German role of a junior partner in the Franco-German relationship has caused French leaders to try to dominate the integration process even more, in order to make sure that Germany continues to be integrated into a framework, which has been strongly shaped by French terms.

The resulting institutional and procedural structure of the EU, which was created at Maastricht, has however had the undesired side-effect for France that Germany became more sceptical about the integration process itself and consequently started to stress its own national interests in a similar way to other member states.

The intensification of this process, which had already started during the final years of the Kohl era, under the leadership of a new post-war generation of pragmatic centre-left leaders in Germany, led to French acts of defiance and finally to a breakdown of the personal chemistry between French and German leaders. The German political elite have certainly made every effort to publicly maintain a display of harmony, mainly because the French '*classe politique*' has expressed its concern that the Franco-German partnership is no longer as important to the Germans as it once was' (Guérin-Sendelbach and Schild, 2002, p.55).

The resulting new bilateral Franco-German initiatives on CFSP, and Turkey, do however not change the lack of personal understanding between the current French and German leaders, especially between Chirac and Schröder, leave little room to revive the Franco-German relationship to its traditional way. The sequence of events at the Nice summit has shown that a general mistrust between the French and German leaders exist. The partnership is therefore miles away from the mutual willingness to compromise that had existed under Schmidt and Giscard or Kohl and Mitterrand.

This situation seriously undermines the bilateral relationship.

As Josef Janning rightly emphasises, there is little chance that France and Germany will return to the traditional closeness under Chirac and Schröder:

'The French manoeuvres at the Intergovernmental Conference in Nice destroyed the rest of interpersonal chemistry. Neither common finger exercises of the foreign policy leadership panels, nor the higher tracts, which were stage-managed in order to calm the criticism, could remove this disruption. Kohl's maxim, to always give priority to French sensitivities may, in comparison, have proven to have been the more successful one, but it neither suits the governing style of *Schröder*, nor the real situation of European policy.' (Janning, 2002, p. 16).

There is also little prospect that this would change under different governments in France or Germany, even if they would give renewed priority to the Franco-German partnership, like the red-green administration does at present<sup>631</sup>. The coordinate system of the relations between France and Germany has simply shifted to far from the pre-unification and pre-Maastricht situation in order to be able to simply be able to carry on as usual after the events of Nice.

French leaders are far too worried about the increase in German influence in an larger Europe to be able to engage in a new bilateral relationship with Germany without special demands and prejudices. Moreover, any German government, regardless of its political colours, will in the long term reject a return to the pre-1990 junior role alongside France, especially not once Germany has managed to improve its economic standing once again. The edginess between France and Germany is therefore likely to remain for the foreseeable future, even if governments change.

On top of that, it is important to realise that even if France and Germany would find ways to return to their former confidentiality, it is certainly the case that the influence of this bilateral tandem would be far less important in an EU of 24 and more members than under the present setting. This is not to say that it will no longer be important for the EU that Franco-German try to find common ground on major issues. As the two big founding members of the Community, they will always be able to profoundly influence developments, provided they manage to pull together. However, in a larger EU, a variety of changing short-term and mainly issue-related working relationships will dominate the agenda even more than they already do amongst the 15 member states at present. Hence the prospect of a bilateral leadership constellation dominating events in the way France and Germany were able to do in the first 45 years of the Community existence is more than remote.

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<sup>631</sup> Chancellor Schröder said in his inaugural speech to the *Bundestag* after the September 2002: '(...) we will not be able to create a citizen's Europe, the use of which through deepening and enlarging shall be of benefit to all Europeans, without common Franco-German action – even if sometimes painful compromises have to be made.' (*Regierungserklärung von Bundeskanzler Schröder vor dem Deutschen Bundestag*, 29 October 2002, <http://www.bundeskanzler.de/Regierungserklaerung-.8561.446416/Regierungserklaerung-von-Bundeskanzler-Gerhard-S...htm>.)

The German side does also no longer wish to maintain such an exclusive bilateral leadership constellation for a larger EU. The representative for the German parliament in the Convention on the Future of Europe confirmed, that he considered 'it to be important, that the leadership of the European Union is exercised by more than two countries, let alone by only one country'<sup>632</sup>. A leadership triangle between Britain, France and Germany is therefore a realistic option in a larger EU, provided that French leaders would agree to such an option.

Chancellor Schröder himself continues to stress the importance of the partnership between France and Germany for the EU, but has also made clear that he would like to see other member states, especially the UK, to take on a more prominent role in the future.

In this respect, Schröder has not publicly repeated his earlier support for a 'triangle' leadership model between Britain, France and Germany, but he would still like to see a continuing and strengthened British engagement in Europe:

'One should not think in terms of mathematical or geometrical formulas. Britain plays an enormously important role in Europe (...) Tony Blair has acquired really great respect among the European Council. You know the special relations between Germany and France. We do not want to let them be called into question. But they are directed against no one, but the expression of certain historic developments. They continue to be important for Europe at present, but the closer and the more intensely Britain becomes noticeable in Europe, the more I prefer it.'<sup>633</sup>

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<sup>632</sup> Interview with Professor Jürgen Meyer, SPD party conference Nuremberg, 20 November 2001.

<sup>633</sup> '*Wir müssen weiter reformieren*', Interview with Chancellor Schröder for the German-British forum by David Marsh, 2002, [www.gbf.com/cgi/publisher/display.cgi?1935-5102-80853+interview](http://www.gbf.com/cgi/publisher/display.cgi?1935-5102-80853+interview).

The main reason why Britain would be a prime choice for German leaders with regard to the establishment of a working relationship on crucial issues for the future of Europe is that, in contrast to France<sup>634</sup>, Britain has abandoned its post-war reservations against Germany. While the Conservative administration's antipathy towards engagement in Europe had been largely motivated by a fear of German domination, under New Labour Britain has shed any of these resentments.

As a result, fears of an almighty Germany, which had still been predominant among the British media and the public at the time of German unification, are now only expressed by a small minority of right wing Eurosceptics and anti-European tabloid journalists. This was also the general consensus among the British political representatives I had the chance to interview<sup>635</sup>.

William E. Paterson consequently sees a basis for a working relationship between Britain and Germany, which is completely different from the one that exists between France and Germany and other EU member states:

‘In a number of European member states, including France and some sections of German elite opinion, there is a concern that the coincidence of the move of the German capital to Berlin and the imminence of eastwards enlargement will somehow undermine Germany’s postwar western identity and its European

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<sup>634</sup> In a very recent assessment of the state of Franco-German relations on the occasion of the 40<sup>th</sup> anniversary of the Elysée Treaty, former Chancellor Helmut Schmidt, who has always been a leading advocate of Franco-German co-operation, argues that the peak of relations between France and Germany, which occurred under him and Giscard d’Estaing and was continued under Kohl and Mitterand, came to an end after German reunification. Schmidt points out that after 1989/90 ‘reunification caused old fears of the new German weight in Paris’, which is why he argues ‘that it would at present be a hackneyed phrase without concrete substance to talk of a Franco-German European policy’ (*‘Freunde ohne Ziele’*, Helmut Schmidt in *Die Zeit*, 04/2003, 22 January 2003).

France expert Ulrich Wickert, a leading German journalist, commented on the Franco-German anniversary by pointing out to the persisting prejudices against each other on both sides: ‘It is incredible, how long prejudices are able to persist. The Germans still think, the French see their nation as a Grande Nation, something they have stopped doing for a quite a while – which also makes them suffer slightly though. The French, on the other hand, have not yet noticed that the Germans are no brutally shouting Nazi soldiers, but have in the meantime developed into one of the most modern democracies in Europe’ (Interview with Ulrich Wickert for *tagesschau.de*, 21 January 2003, [www.tagesschau.de/aktuell/medlungen/0,2044,OID1462172\\_TYP4,00.html](http://www.tagesschau.de/aktuell/medlungen/0,2044,OID1462172_TYP4,00.html)).

<sup>635</sup> The representative at the FCO, Labour MEP Gary Titley and Lib Dem MEP Nick Clegg, MP Gisela Stuart and even Conservative MP John Redwood, who usually shows a tendency to warn about German economic dominance, all agreed that Germany had proven that it had become a team player rather than a dominant force in Europe.

vocation. These fears are seen as largely unreal and irrelevant in Britain, where it is felt that Germany's western identity is securely anchored in terms of identity, interests and institutions.' (Paterson, 2002, p. 26)

The gap between the former WW2 enemies has therefore constantly narrowed since the end of the War. Even the negative portrayal of Germany during 18 years of Conservative rule in Britain or the occasional extreme tabloid reference to the War years could not seriously affect the increasing cultural and political closeness between the UK and Germany. As Wolfgang Mommsen stresses, none of these

'(...) memories of national socialism which are continued to be well looked after, could change nothing of any consequence with regard to this fundamental change of attitudes towards Germany. Since then, normality has occurred in the relations between Britain and the newly constituted German state. The shadows of two world wars do no longer weigh oppressively on them. The common interests in the economic, cultural and the political area have been generally made aware of more and more and have pushed other factors, which stood between the two peoples during the last century, into the background.' (Mommsen, 1999, p. 214)

Because no concealed suspicions exist between themselves, the British and the Germans would hence be ideal partners in Europe and would be able to jointly influence the future of Europe substantially, if they managed to summon up the will to do so. In spite of the differences in their domestic state structures and political systems, they both share a strong and determined commitment to substantially reform the procedures and institutions of the EU in order to make it fit for enlargement. Based on their domestic political cultures, both countries certainly take a different approach to the solution of the individual reform necessities.

As part of their generally intergovernmental approach to European integration, British leaders consequently emphasise the necessity to reform and strengthen the European Council and also to find ways to include national parliaments more in the EU's decision-making processes.

In contrast, German leaders would prefer to reform the Community along the lines of German federalism, with the Commission being developed into a strong EU executive, led by a directly elected Commission president and controlled by a strengthened European Parliament. Although these two models seem to be far apart from one another at first glance, they in fact share the common goal of wanting to make the EU more transparent and effective in order to narrow the increasing gap between the Community and its citizens.

It is also undeniable that, in spite of the German tendency to go much further in the promotion of the harmonisation of policies than Britain, that both countries agree towards a strong intergovernmental foundation for the EU.

No German leader could ever agree to a complete merger of the German state into an EU superstate, where the main powers would be exclusively centred on the Community level. Instead, by sticking to its traditional post-war pro-integrationist and multilateralist principles, Germany continues to promote the harmonisation of procedures and policies in areas where it is obvious that national governments are stretched beyond their capabilities.

The British are still more reluctant than Germany or any other pro-integrationist member state to agree to the transfer of national powers if it is not unequivocally considered to be in the British national interest. The Blair administration nonetheless generally shows a greater readiness to agree to the harmonisation of policies and the pooling of national sovereignty, provided it helps Britain to achieve its national goals. This is shown by the rather surprising fact that the British government has given up the traditional British reluctance towards a European constitutional treaty and has even agreed to extend QMV to crucial areas, such as asylum and immigration, as part of the creation of a Common Asylum Policy for Europe.

The main reason why Britain and Germany would have the potential to co-operate effectively on institutional and procedural reform lies in both countries' readiness to accept each other's differences in political culture, and state tradition, and to consider mutual reform proposals under that aspect.

As Chancellor Schröder stresses, Germany would not reject British proposals on institutional reform, simply because the British are emphasising an intergovernmental approach:

‘Germany has always been integrationist with regard to European policy and will continue to remain like that. There is a tendency to compare, ones are integrationists, the others intergovernmentalists. But in reality there is not only black and white, but a process in Europe. When there are proposals from countries, which are for example seen as classic intergovernmentalist, then I plead for looking at them in great detail, each individual proposal, and not to place them in a certain categories. I am against thinking in categories.’<sup>636</sup>

The crucial issue is that both countries share the same priorities with regard to the reform process of the EU. Both Britain and Germany want to make the EU more transparent and effective in terms of reducing unnecessary red tape and expenditures, such as those for the agricultural policy. The support for a written European constitutional treaty, which is now finally shared by the British government, is part of this desire to clearly determine the distributions of power in the EU, based on the principle of subsidiarity. The UK and Germany are strong allies in pushing towards a fundamental overhaul of the budgetary arrangements of the Union in order to come to a fairer share of the financial burden among the member states. They also share a commitment to further liberalisation of the Single Market, with a strong emphasis on the reduction of external trade tariffs and artificial market interferences, as part of a fairer global trading system within the framework of the WTO. This is especially important with regard to the CAP, where the UK and Germany stand against French opposition in their desire to open up Europe’s agricultural markets for the developing countries.

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<sup>636</sup> ‘*Wir müssen weiter reformieren*’, Interview with Chancellor Schröder for the German-British forum by David Marsh, 2002, [www.gbf.com/cgi/publisher/display.cgi?1935-5102-80853+interview](http://www.gbf.com/cgi/publisher/display.cgi?1935-5102-80853+interview).

On enlargement, British and German leaders share a fundamental desire to not let the process of European integration end at the borders of the former Iron Curtain, but to instead include those countries that fulfil the membership criteria as members, in order to create an area of freedom, democracy and stability for the whole of the European continent. Although both countries have different priorities in the process, such as e.g. on Turkey or the Balkans, where Britain is a much stronger advocate of expansion than Germany, they both share a commitment towards enlargement, which cannot be found among any of the other big member states, especially France.

Even on the foreign and security policy issues, the UK and Germany would basically be ideal partners in pushing forward the creation of a Common Foreign and Security Policy for the EU. In contrast to French leaders, who would like to create a European CFSP as an alternative to American influence on European defence and security issues within NATO, British and German elites are firm in their commitment to the transatlantic partnership with the U.S as part of a stronger European role on defence and security. The potential for a strong partnership on the issue is however still seriously hampered by a lack of commitment on both sides. British leaders would need to lean less towards U.S. foreign policy interests and show a greater commitment to the creation of a European CFSP, which would require the acceptance of QMV on foreign and security issues in the EU on the part of the British.

Germany would finally have to push through a fundamental reform of the *Bundeswehr* from a defence army based on conscription, into a professional force, which is capable of being rapidly deployed in military crisis settlement anywhere inside or outside Europe. This would have to include a substantial boost to German spending on defence, which will certainly only be affordable under improved economic conditions and a general reform of German public sector spending.

With the existence of a general trust between British and German leaders on European issues and the readiness on both sides to agree and disagree on certain issues, British-German relations have every potential to be turned into an effective working partnership of great significance for an EU of 25 and more members.

As British foreign secretary Jack Straw stressed in his address to the British-German forum in October 2002,

‘Today this partnership has never been stronger. We may differ on individual aspects of EU policy, but we share a strong commitment on the fundamental: a reunified Europe which delivers practical benefits to our citizens, be they jobs and investment or cleaner beaches and safer streets. We agree on the importance of Europe having a stronger voice in the world.’<sup>637</sup>

It would certainly be wrong to suggest that closer co-operation between the UK and Germany could lead to the establishment of a new bilateral axis, similar to the one which was built up by France and Germany after WW2. In a larger EU, leadership will be exercised by a variety of partnerships between member states and the course of European integration will no longer be able to be determined by two countries in the way it was possible in a Community of six or, up to a point, even 15.

This new flexible framework of multiple leadership coalitions however makes it even more important to look at correspondences in the interests of individual member states. With Britain and Germany being the two large member states, whose roles within the Community have changed most dramatically in recent years, they also offer the greatest potential for open, mutual co-operation if they manage to overcome their current constraints.

In the case of Germany, this will certainly be the need to reform its domestic economic and social framework in order to be able to compete in an increasingly competitive global economy, and to maintain the leading role it has in Europe. For Britain, the crucial challenge will be to finally end its ambiguous and undecided position between the United States and Europe and to show a clear dedication to engagement in the latter.

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<sup>637</sup> ‘Leadership in Europe’, Speech by foreign secretary Jack Straw at the British-German forum, 17 October 2002,

<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1034786618438>.

Apart from a stronger orientation of its foreign policy towards European rather than American interests, the most credible move towards a new European vocation for the UK would be the entry into the eurozone.

If it were to become a fully engaged member state, Britain could then make use of the fact that, as Grabbe and Münchau point out, it has in fact more in common with Germany than any other of its partners in the EU:

‘In many areas of European policy, the UK and Germany are now closer to one another than they are to France or Italy. Their partnership could be crucial to the EU’s progress. If the UK were in the monetary union, it would have as much to offer Germany as France does. The UK’s decision is thus a vital interest for Germany because it affects the political dynamics of the EU as a whole.’ (Grabbe and Münchau, 2002, p. 41).

Although it is indeed very difficult to predict anything in a European Union, which not only faces the most important enlargement in its history but which is also characterised by constant political change, it is nevertheless far from being unrealistic that ‘a “golden age” in British-German-European relations is just round the corner’ (Larres, 2000, p. 24). In view of the current lack of strategic leadership in the EU, many of the new members states from Central and Eastern Europe would certainly appreciate more common initiatives between the these two big member states, who both strongly advocate enlargement.

In order not to let this golden opportunity slip away for good and to allow a situation, where ‘tensions would be likely to re-emerge and a pattern of greater divergence set in’ (Paterson, 2002, p. 31), British and German leaders need to start exercising practical leadership and overcome the mentioned hurdles that hamper working relations between both countries. For the sake of the future of the EU, if they manage to make use of the good personal atmosphere between the British and the Germans, they will be able to overcome what the British Prime Minister called the mutual ‘time of challenge’ in his address to the November 2001 SPD Party conference in Nuremberg:

'Britain can't play its part in developing a more stable and peaceful world but shy away from Europe, its most powerful alliance right on its doorstep. Germany can't play its part in helping lead this new world, without accepting its full international responsibilities. So both our nations face a time of challenge (...) It is a time for boldness, courage and strength (...). For our sake as well as yours, I wish you well.'<sup>638</sup>

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<sup>638</sup> Speech by Tony Blair at the SPD party conference, Nuremberg, 20 November 2001, <http://2001.spd-parteitag.de/servlet/PB/menu/1002017/index.html>.

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## **Glossary of Terms**

**2+4 Treaty.** The final peace treaty, which determined the conditions for German reunification, signed in 1990. The two German states, the U.S., Britain, France and the Soviet Union agreed that the unified Germany would regain the full sovereignty over its internal and external affairs, including the choice of membership in international alliances like NATO, provided that its Eastern border was final and irreversible.

**10 point plan (*Zehn Punkte-Plan*).** Plan introduced by German Chancellor Helmut Kohl in the *Bundestag* in November 1989, which proposed a confederation between the two existing German states. Kohl was heavily criticized for the plan by the Western European partners, whom he had not consulted beforehand about it.

**Agenda 2000.** Financial package for the enlargement into Central and Eastern Europe agreed at the EU Council in Berlin in 1999.

**Acquis Communautaire.** The legal body of the European Union, including its institutions, policies and laws.

**AWACS.** Airborne warning and control system used by NATO for air surveillance missions.

**Berlin agreement.** Signed in 1971 by the Soviet Union, the United States, Britain and France. The Western Allies formally accepted that West Berlin would not be an integral part of the West German state and in return, the Soviet Union loosened its though transit regime regarding West Berlin.

**Brezhnev doctrine.** The claim put forward by Soviet leader Leonid Brezhnev in 1968 that the Soviet Union would have the legal right of intervention into the inner affairs of its Central and Eastern European satellite states, if necessary through military force. Brezhnev consequently tried to justify the Soviet military oppression of the Prague spring as an act of maintaining the 'community of socialist states'.

**Bundesbank.** The German federal bank, which is politically independent and exercises strong influence on Germany's economic policy through its focus on monetary stability.

**Bundestag.** The German federal parliament, which was situated in Bonn between 1949 and 1990 and moved to Berlin in 1999. It consists of 603 MPs from the CDU/CSU, SPD, FDP and the B90/Grüne.

**Bundesrat.** The second legislative chamber, in which the German regions, the *Länder* are represented. The *Bundesrat* has a rotating presidency and consists of 68 seats. Crucial legislation, which affects the interests of the *Länder* can only be passed if the *Bundestag* and the *Bundesrat* agree. Disagreements are settled in the *Vermittlungsausschuß*, a committee of 16 representatives from both chambers.

**Bundesverfassungsgericht (BVG).** The German federal constitutional court, which acts the guardian of the German constitution by assessing if laws are in accordance with constitutional norms . It consists of 16 judges, one half is elected by the *Bundestag*, the other half by the *Bundesrat*.

**Bundeswehr.** The German army, which before 1990 was a pure *Verteidigungsarmee*, meaning it would only be allowed to operate in order to defend NATO territory. After reunification, parts of the East German *Nationale Volksarmee* were integrated into the *Bundeswehr*. The 2+4 treaty of 1990, which enabled German reunification, determines that the number of *Bundeswehr* troops must not exceed 370,000.

**Bündnis 90/Die Grünen.** Germany's green party which emerged from various left-wing groups and peace activists in 1979. First elected into the German federal parliament in 1983, the West German *Die Grünen* for a long time pursued radical left-wing and pacifist policies. After German reunification, the West German Greens merged with the East German civil rights group *Bündnis 90* and developed a more mainstream approach to political issues, especially towards military engagement.

**CAP (Common Agricultural Policy).** The EU's agricultural policy which is based on a system of artificial market interference and direct financial support for farmers according to their production output. The CAP was gradually introduced during the 1960s.

**CDU (Christlich Demokratische Union).** Germany's Christian-Democratic Party, which emerged from its predecessor during the Weimar Republic, the *Zentrumspartei*. The CDU's policies are based on Christian values and a Conservative approach towards social and economic issues. It merged with its mainly Protestant East German namesake in 1990. The CDU is represented in all parts of Germany, except Bavaria, where its sister party, the CSU is the dominating political force. CDU and CSU appear as an alliance of sister parties on the federal level in the *Bundestag*.

**CEE (Central and Eastern Europe).** The EU accession candidates in Central and Eastern Europe, including Poland, the Czech Republic, Slovenia, Hungary, Latvia, Lithuania.

**Civilian Power.** The definition of a country, which safeguards its international influence by emphasising multilateralism and non-military conflict resolution.

**Committee of the Regions.** 222 representatives from the various regions in each member state who mainly exercise advisory powers within the political framework of the EU.

**Confederalism.** A loose federal system, in which the basic units remain essentially sovereign and retain a substantial degree of autonomy.

**Convention on the Future of Europe.** Established at the Laeken summit in December 2001 with the aim of developing a program for the EU's institutional and procedural reform in preparation for the next wave of enlargement. The Convention consists of 102 representatives from member state and accession candidate governments, national parliaments, the European parliament and the Commission. It is headed by the chairman Valéry Giscard d'Estaing, a former French president.

**CSU (*Christlich Soziale Union*).** The CDU's Bavarian sister party, which has held an absolute majority in the Southern region of Bavaria since 1957. Although only represented in one region, the CSU has strong political influence in Germany. It has twice provided the candidate for the post of Chancellor, first in 1980 with then CSU leader Franz-Josef Strauß and in 2002 with Edmund Stoiber.

**CFSP (*Common Foreign and Security Policy*).** Introduced as the third pillar of the temple structure of the European Union in the Treaty of Maastricht in 1993. The aim is to create a European defence and security identity within NATO, based on greater military capabilities of the EU member states.

**Delors Report.** Published in 1989 by an expert group headed by the then Commission president Jacques Delors, including the heads of the national central banks, it proposes to move towards Economic and Monetary Union in three stages.

***Deutsche Mark.*** The German national currency, which was established as the currency of the Federal Republic of West Germany after WW2 and replaced the East German mark in the new *Länder* as part of the reunification process. It became a symbol for West Germany's post-war economic boom.

***Deutschlandvertrag.*** Ratified by the Western Allies 1955, the United States, Britain and France gave West Germany limited sovereignty over its internal and external affairs as part of the creation of the *Bundeswehr* and its integration into NATO.

***Deutsche Industrie und Handelskammertag (DIHK).*** Germany's main industry and trade representation, of which all German businesses are a member. The *DIHK* subdivided into 82 regional divisions all across Germany.

**Double containment.** The U.S. strategy of limiting both German and Soviet power in Europe. In the case of Germany, it was achieved through the determination the deep integration of the Federal Republic into the West (*Westbindung*) through membership of NATO and the European Community. Soviet expansionism was countered by strong U.S. military presence in Europe and the diplomatic propaganda war called the Cold War.

**ECSC (*European Coal and Steel Community*).** Established by France, Germany, the Netherlands, Belgium, Luxembourg and Italy in 1951. It represented the pooling of the national coal and steel sectors of the six member states in a common market and provided the basis for further European integration.

**EC (*European Community*).** The fusion treaty of 1967 combined the ECSC, the EEC and Euratom and created the European Community.

**EEC (*European Economic Community*).** Founded as part of the Treaty of Rome in 1957 by the six ECSC member states, based on a complex institutional framework including a European Parliament, European Court of Justice, Council of Ministers and Commission. It also created the European Atomic Energy Community (Euratom).

**EFTA (European Free Trade Association).** Free trade organisation created by the United Kingdom, Sweden, Finland, Norway, Austria, Portugal and Switzerland in January 1960 as an alternative to the EEC.

**Elysée Treaty.** Signed by France and Germany in 1963 as a symbolic document of post-war Franco-German reconciliation and friendship. The treaty institutionalised the Franco-German partnership by providing regular consultations between French and German elites on various issues.

**EMS (European Monetary System).** Established by France and Germany in 1979, based on a European Currency Unit (ECU), an exchange and intervention system and various credit mechanisms. With a fixed range of fluctuation between the participating currencies, the EMS became the institutional basis for monetary integration in Europe. Britain, Greece and Sweden have opted out of the EMS.

**EMU (Economic and Monetary Union).** Established in the Treaty of Maastricht in 1993 as a process of three stages which led to the replacement of the national currencies in the participating member states through the Single European Currency, the euro on January 1<sup>st</sup> 2002. EMU is based on a growth and stability pact, which sets strict limits to national fiscal and economic policies. Of the 15 EU member states, at present only the United Kingdom and Sweden have not yet joined EMU.

**Ethics of ultimate ends.** Sociologist Max Weber's moral classification of politics based on the belief that force is not an acceptable means to achieve political ends.

**Ethic of responsibility.** Weber's classification of the political attitude which accepts the reality of the world as a place of violent disorder in which the use of force is necessary in order to achieve peace and stability.

**European Commission.** The president of the Commission and his 20 Commissioners, sent by the member states, act as the guardian of the EU treaties. The Commission is supported by a civil service which develops policy and legislative proposals, which are submitted to the Council.

**European Council.** EU institution, in which the heads of state from each member state meet at least twice a year to decide on crucial policies and treaty changes. The Council of Ministers brings together ministers from the various political resorts on a more regular basis.

**European Defence Treaty.** Signed in 1951 by the six ECSC member states in an attempt to create a European Defence Community. Final ratification failed because of the veto of the French national assembly in 1954.

**European Parliament.** 626 MEPs from the 15 member states who mainly exercise control and consultative functions with regard to the Council and Commission. The EP has no full legislative powers like most national parliaments.

**European Union.** Created in the Maastricht Treaty in 1993, it enhanced the European Community with a temple structure based on three pillars (European Community, Common Foreign and Security Policy, Justice and Home Affairs).

**Federalism.** A structural political design which is based on a written constitution and a clear division of power between the upper and lower levels of decision-making.

**FDP (*Freie Demokratische Partei*).** German liberal party, based on free market economic policies and liberal social values. It was the main coalition partner for either the CDU/CSU or the SPD before the Green Party became an acceptable alternative. The FDP was part of every West German and all-German government since 1949, with the exception of the period between 1966 and 1969, when CDU/CSU and SPD formed a governing coalition and since 1998, when the SPD formed a government with the Green Party.

**Federal Republic of West Germany (FRG).** The West German state which emerged from the three Western sectors of occupation (American, British and French) in 1949. West Germany was governed from Bonn and merged with the East German GDR after the fall of the Berlin wall in 1990.

**Functionalism.** A theory of international politics which argues that the nation state is incapable of effectively providing for the basic wants and needs of the people, because it is mainly based on power politics and political dogma. Hence functionalists therefore call for the establishment of a framework of international institutions, each of which should be focused on an individual task.

**German Democratic Republic (GDR).** The East German communist satellite state, which was created in the Soviet zone of occupation in 1949. It was firmly integrated into the Warsaw Pact and fully controlled by the *SED* (Socialist Unity Party), which maintained its power through a massive state intelligence service (*STASI*) and Soviet military support.

**'Genscherism'.** The foreign policy represented by Germany's longest-serving foreign minister Hans-Dietrich Genscher (FDP), which favoured multilateralism, preventative non-military crisis resolution. During his period in office (1974-1990), Genscher was often criticized for his willingness to pay for the continuing German opt-out with regard to out-of-area military engagement.

**Grundgesetz.** The German basic law, which came into effect in 1949 as part of the foundation of the West German Federal Republic. Since reunification in 1990, the *Grundgesetz* is also applied in the territory of the former East Germany. It acts as the country's written constitution which determines the values and principle of the German state and also provides detailed regulations regarding its domestic political process.

**Grundlagenvertrag.** The bilateral treaty between the Federal Republic of West Germany and the East German Democratic Republic signed in 1972. The treaty enhanced the diplomatic relations between the two German states and led to the abolition of the *Hallstein doctrine*. This meant that West Germany officially accepted the existence of two German states (although it did not recognize the GDR as a state under international law).

**Hallstein doctrine.** The claim to the sole representation of all German people by the West German Federal Republic, which had first been made by foreign office minister Walter Hallstein (CDU) in 1951.

**IFOR.** NATO peace implementation forces.

**International Monetary Fund (IMF).** Organisation of 184 member countries which aims at promoting international monetary co-operation and economic stability, established in 1945.

**Institutionalism.** A theoretical approach which emphasises the importance of institutional designs for the process of European integration.

**Intergovernmentalism.** European integration theory which considers the member states and their national government representatives to be the primary actors within the European Union.

**Länder.** 16 German regions with their own constitutions, regional parliaments and prime ministers. They are represented in the second chamber, the *Bundesrat*. After reunification in 1990, East Germany was divided into 5 *Länder*, which brought the number up from the previous 11 West German regions to 16.

**Ministerpräsidenten.** The prime ministers of each of the 16 German regions, the *Länder*. They are elected by the majority of parliamentarians in each of the regional parliaments, the *Landtage* and have strong political influence on the federal level through the *Bundesrat*. The role of a *Ministerpräsident* is often a prerequisite for a political role on the federal level, e.g. candidate for the Chancellory.

**Mittellage.** Middle position, referring to Germany being located between the Western Europe and the Central and Eastern European countries.

**Moskauer Vertrag.** Bilateral treaty between West Germany and the Soviet Union signed in 1970, in which both sides commit themselves to settle disputes by peaceful means only and to accept the invulnerability of each other's border. It provided the basis for the *Ostpolitik* and further treaties between West Germany and its neighbours in Central and Eastern Europe.

**Multi-level governance.** Theory of European integration which describes the European Union as a system of governance upon multiple levels, in which the member states are one actor amongst many.

**Multilateral responsibility.** The new foreign policy of military engagement as part of international crisis resolution based on U.N. mandates.

**Musterschüler.** The German ambition to act as a role model in Europe and on the international political stage, which had been pursued especially by West German leaders before the reunification of the two German states.

***Neue Mitte.*** Term used by Gerhard Schröder to describe the growing middle class in Germany, which he managed to win over during his 1998 general election campaign. As a result, Schröder now leads the first coalition government between the SPD and the Bündnis 90/Grüne in Germany's history.

**North Atlantic Treaty Organisation (NATO).** The transatlantic military alliance founded in 1949 in an attempt to counter Soviet expansionism in Europe. While its Cold War rival, the Warsaw Pact was dissolved in 1991, NATO aspires to become a pan-European security alliance and currently includes 19 member states, including former Warsaw Pact countries.

***NVA (Nationale Volksarmee).*** The military force of the East German communist state, the German Democratic Republic. The NVA was integrated into the military alliance of the Warsaw Pact, which was controlled by the Soviet Union.

***Ostpolitik.*** The policy of reconciliation and 'change through rapprochement' with Eastern Europe, which was developed by the West German SPD/FDP coalition of Willy Brandt and Walter Scheel after 1969. It was based on a number of bilateral treaties with the Soviet Union and its Eastern European satellite states.

**Out of area.** Any military engagement which is not part of the defence of NATO territory.

***Parlamentsvorbehalt.*** The need to consult the German federal parliament before a decision can be made. For example it applies e.g. to sending German troops into combat missions under article 24 of the Basic Law, and to the transfer of national sovereignty towards the EU level under article 23, paragraph 2 and 3.

***Prager Vertrag.*** Bilateral treaty between West Germany and the CSSR signed in 1973, determining the invulnerability of borders, non-aggression and enhanced co-operation.

**Personalised Proportionality.** The German electoral system, where half of the 328 members of the federal parliament are elected by a simple majority and the other half chosen from lists drawn up by the parties in each region. Voters cast two votes, the first determines the winner in each constituency and the second one influences the national percentage of votes for each party.

**Pleven plan.** Proposal by French prime minister Pleven in 1950 to establish a European army and a European defence minister, which aimed at the exclusion of Germany from the commando structure. The plan was designed by the French to be able to exercise strong control over possible German rearmament. The Pleven plan was never realised but became the basis for the new proposals for a European Defence Community (EDC), which was rejected by the French national assembly in 1954.

***PDS (Partei des Demokratischen Sozialismus).*** Successor of the communist *SED*, which was installed in the Soviet zone of occupation after 1945 and governed the communist East German state with an iron grip. The PDS promotes radical socialist policies and finds its electoral base exclusively amongst the electorate in the Eastern part of Germany.

**Rapid Reaction Force.** Based on the Anglo-French declaration in St. Malo and the EU summit in Helsinki in 1999, the European Union decided to create a military force by 2003, which will intervene in any crisis in which NATO decides not to get involved. Member states will deploy 50,000-60,000 troops within 60 days for any military engagement. Participation is open for non-EU members.

**Realism.** International politics theory based on an anarchistic view of the world, where states have to fight for their own survival and consequently are predominately occupied with maintaining their own security. From the realist point of view, international organisations or institutions are not capable of substantially improving this essentially hostile international environment.

**SED (*Sozialistische Einheitspartei Deutschlands*).** The ruling party of the communist East German Democratic Republic. The *SED* was committed to Stalinist policies and oppression of opposition groups through its state intelligence service.

**Semi-sovereignty.** The post-WW2 position of the West German Federal Republic under international law, in which the three Western Allies (U.S., Britain and France) had to be consulted before German leaders were able to sign international agreements.

**SFOR.** NATO peace stabilisation forces.

**Single European Act.** Signed in 1986. The act determined to establish a Single European Market until 1992 and deepened integration in a number of areas. It provided the basis for the far-reaching integrative steps of the Maastricht Treaty of 1993.

**Sonderweg.** The policy of pursuing a 'special way', which is different from the mainstream political agenda. In the case of Britain, this relates especially to its alleged 'awkward' position towards European integration.

**Soft power.** The influence on global affairs through diplomatic, economic or financial means.

**SPD (*Sozialdemokratische Partei Deutschlands*).** The Social Democrats are Germany's oldest political party, which has traditionally acted as the guardian of the German welfare state and the promoter of social justice. While West Germany elected only two SPD Chancellors, Willy Brandt (1969-74) and Helmut Schmidt (1974-82), the East German SPD was forced into a political union with the communist KPD as part of the *Sozialistische Einheitspartei (SED)* after the Second World War. In the reunified Germany, the SPD managed to regain power under the leadership of Gerhard Schröder by forming the first coalition government with the Green Party in Germany's history.

**Stabilitätspolitik.** The policy orientated towards monetary stability exercised by the German *Bundesbank*. Its main goal was to maintain a strong *Deutsche Mark*.

**Sterling Zone.** Currency area in which the British pound sterling was the main currency, developed as an integral part of the British Empire. It was the backbone of Britain's global economic power and collapsed after serious devaluation set in during the late 1960s.

**Subsidiarity principle.** The principle which determines that powers should only be transferred to a higher level if the matters can not be dealt with on a lower level in a satisfactory way.

**Three circles.** The three areas of British foreign policy interest as defined by Winston Churchill after the end of the Second World War, in order of preference: 1. Relations with the countries of the British Empire, 2. the 'special relationship' with the United States and 3. Europe.

**United Nations (U.N.).** Successor organisation of the League of Nations in 1945, which promotes peaceful co-operation and collective security among the nations of the world. It is based on the U.N. Charter, a treaty which determines the rules of the international co-operation. Its main seat is in New York.

**Verteidigungsarmee.** The role previously exercised by the *Bundeswehr* as part of West Germany's semi-sovereign status. The *Bundeswehr* would only act in defence of NATO territory in case of an attack and could therefore not operate 'out of area'.

**Warschauer Vertrag.** Bilateral treaty between West Germany and Poland signed in 1970. The crucial point of the treaty was Bonn's acceptance of Poland's Western border, which led to the fierce opposition among the right wing of the CDU/CSU.

**Westbindung.** Germany's firm integration into the West through the transatlantic alliance (NATO) and the European Community.

**World Trade Organisation (WTO).** Established in 1995 as a result of the Uruguay Round negotiations, currently including 146 countries. It mainly provides a forum for trade agreements and disputes.

**Zahlmeister.** Germany's role as the largest net contributor to the EU budget among all member states, often labelled as the 'paymaster of Europe'.

**Zentralmacht.** The description of the unified Germany as the central power in Europe.

# **Appendices**



## Appendix 1

### **The theoretical background: The EU – an intergovernmental or a supranational entity?**

The European Union is a unique organisation in which 15 member states pool parts of their national sovereignty in order to co-operate within a framework of supranational institutions and policies. Initially, the pooling of sovereignty was limited to specific areas, such as coal and steel (European Coal and Steel Community, 1951), and atomic energy research and development (Euratom, 1957). However, over the years the development of European integration has resulted in the creation of an ever more complex institutional and procedural framework that provides for the implementation and maintenance of common policies across a broad variety of industrial, political and economic areas.

After the 1957 Treaty of Rome created the European Economic Community (EEC) and triggered moves to standardise external tariffs, there followed a period of relative inactivity in the 1970s. However, economic pressure to realise the benefits of a common market led in 1987 to the Single European Act, which in turn led to a realisation that increased political and financial co-operation would be required to manage the new Single European Market. A realisation that was eventually expressed in the 1992 Treaty of Maastricht, which represented a major step towards the economic and political integration of the Member States, rather than merely providing a framework for simple co-operation. The Maastricht treaty established a European Union (EU), based on a temple structure with the supranational European Community (EC) pillar, supported by two intergovernmental pillars to co-ordinate Common Foreign and Security Policy (CFSP) and Justice and Home Affairs (JHA).

The supranational character of the Maastricht Treaty is demonstrated by the fact it presupposes the gradual transfer of the two intergovernmental pillars of CFSP and JHA into the supranational EC pillar.

This literally means that more and more common EU policies and institutions in the area of foreign and security<sup>1</sup>, justice and home affairs are meant to be developed.

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<sup>1</sup> A major step towards the development of a Common Foreign and Security Policy has of course been achieved through the decision to create a European Rapid Reaction Force by 2003.

Moreover, the Maastricht Treaty created the Committee of the Regions which provides for direct regional representation at the European level, bypassing the constraints of nation states. With Economic and Monetary Union (EMU), Maastricht also set in motion and provided the time frame for the completion of the first major integrative project of the EU – the creation of a single European currency. This project was realised in January 2002, when 11 member states joined the new currency zone and surrendered currency control to the supranational European Central Bank in Frankfurt, which was established in June 1998.

Although it is mainly an economic project, the political and fiscal implications of EMU cannot be overlooked. The participating 13 member states will definitely have a greater say on the general development of the future integration process, as many monetary issues will be decided primarily among the Euro Member States. The creation of the single European currency has certainly led to a debate on the need to standardise fiscal policies, which would in turn fundamentally affect the ability of member state governments to finance their domestic political priorities. Both Maastricht and the succeeding treaties of Amsterdam (1997) and Nice (1999) have also led to the extension of Qualified Majority Voting (QMV) to an increasing number of areas, not only to enable a more effective management of the Single European Market and currency zone, but also to facilitate decision- making within the European Union as a whole (Weidenfeld, 1998, pp. 19-85; Weidenfeld, 2001, pp. 11-51).

This continuing development of the European integration process since the 1950s has been stalked by a theoretical dispute over the question of who is actually in charge of it. There is no doubt that the origin of the integration process stemmed from the initiative of a group of individual, West European nation states.

Member state governments have therefore dominated the strategic integration process right from the beginning. However, at a tactical level, the challenge has arisen to try and assess to what extent supranational actors and institutions have gained control since their inception managed to wrest control of policy and institutional evolution away from the nation states and their representatives.

If it is accepted, that to some degree supranational authorities have gained control of the process and management of European integration, then this raises the question whether the European integration process has turned into a quasi-automatic development, in which the move towards economic integration has inevitably triggered moves toward closer political integration, primarily managed by Community institutions rather than Member State governments.

The main matter of dispute among analysts of European integration therefore continues to be the question of national autonomy. I.e. are the member states still autonomous in their decision-making with regard to how much of their sovereignty is transferred to the community level or are an increasing number of responsibilities from the originally fully autonomous member states gradually being taken over by the supranational community institutions?

The two major opposing strands of European integration theory are therefore the state-centric theories on the one hand and the supranational theories on the other hand. The former are united in their view that the process of European integration has mainly been shaped by fully sovereign nation states and their governments and that they remain in fundamental control of the whole process. In contrast, the supranational theories argue that the control exercised by the member states is gradually but inevitably being eroded away by the integration process and more exactly the needs of supranational institutions created to manage the Community (such as the Commission, the European Parliament, the European Central Bank and the European Court of Justice).

In order to attempt an assessment in how far member state interests and policies are still significant for the development of European integration in the present institutional and procedural setting of the EU, a critical analysis of the major intergovernmental and supranational approaches will be necessary.

## **1.1. Functionalism**

The most influential theoretical approach within the supranational paradigm, neofunctionalism, had its origins in the functionalist view of the international environment. Functionalism was never really a theory, but rather a new approach to the question of how the world and an international society could be restructured after the devastation the two World Wars had caused. Developed in the 1940s, even before the end of the Second World War, it was mainly championed by the writings of David Mitrany. He based his exposition on a generally positive view of the ability of the human race to change the world for the better, provided it followed the right approach. Mitrany was not so much interested in putting forward grand visions of an ideal world order, but rather wanted to define the basic functions the international society would have to fulfil to provide for the basic needs and welfare of the people. Therefore, Mitrany's functionalist approach focused on the mechanisms that would be necessary in order to achieve these ends. As a result, functionalism breaks with the traditional view of the world, which saw the nation state as the main centre of attention, an attitude which had repeatedly led to outbursts of nationalism and wars (Mitrany, 1943, pp. 191-195). Functionalists still see the nation state as an important point of reference for human beings in terms of their cultural origins, which is why they argue that it could not simply be abolished over night.

Still, because of the incapacity of the nation states and governments to provide for the basic wants and needs of their people, functionalists like Mitrany believed that a peaceful and prosperous world order could only be achieved through the gradual transfer of certain functions towards new international organisations. From the functionalist point of view, it was the traditional focus of the inherently selfish nation state and national governments as the main provider of peace and welfare, that directly led to the political and economic catastrophies of two World Wars. As a result, functionalism suggests nationalism has made the world unstable and thereby less secure. Because nation states and their governments are mainly interested in national dogmas and power politics, functionalists call for a new, trans-national approach to solve global problems (Mitrany, 1943, pp.131-132).

Functionalists consequently call for the creation of a variety of flexible international institutions, which should gradually take over functions which traditionally have fallen into the exclusive area of competence of the nation state. The functionalist concept is thus not interested in the creation of a centralised global administration but rather wants the establishment of a set of flexible institutions, which enable the effective management of international and economic relations at a trans-national level. In the functionalists' opinion this flexibility is necessary because people's needs undergo a constant change, which is why international institutions have to be open to change if they want to remain effective and relevant. Moreover, it is argued that if they were created in a functional way, they will gradually attract more and more of the people's trust, because people will realise that these institutions are better suited to provide for them than the nation state. Nevertheless, functionalists like Mitrany, stress that the creation of such institutions and the shifting of loyalties has to be a gradual process. Therefore, nation states will not be abolished overnight, but will have to be willing to let go of parts of their sovereignty voluntarily in a gradually evolving process (Mitrany, 1965, pp. 141-145).

The federalist idea that these institutions could be designed in a similar way to the nation-state, as a kind of reproduction on the supranational level is fundamentally rejected by functionalists. As Mitrany stresses, the federalist idea of creating international 'superstates' is not suitable for the goal of a peaceful and prosperous global order. In his opinion, federalism rests on the outdated concept of 'the territorially sovereign conception of political relations' (Mitrany, 1965, pp. 141-142). This is why Mitrany was also extremely sceptical about European institutional integration, a development which he considered to be an attempt to recreate the concept of the territorial-bound nation state on a larger, regional scale (Mitrany, 1975, pp. 69-70).

Because, from the functionalist point of view, the focus on a territorially limited nation-state leads to nationalist dogma and power gambles, it hampers the ability to develop innovative concepts for a new global order. For Mitrany and his followers, the functional approach includes the necessary pragmatism which is needed in order to 'translate the instruments and experience of national life into the needs of an international order' (Mitrany, 1943, p.132).

## **1.2. Neofunctionalism**

As explained above, functionalism was not a properly elaborated theory, but rather an idealistic approach to the possible development of a peaceful global framework.

It was therefore not sufficient to explain the complexity of the development of economic and political integration in Europe, which had gradually started to emerge after 1945. Moreover, as mentioned, Mitrany had shown no intention to deal with European integration, because he considered it to be a federalist and not a functionalist project.

Because of that, analysts of European integration built on the basic ideas of Mitrany's functional approach by developing neofunctionalism, a theory of European integration which did influence the theoretical political debate immensely. Both Mitrany's functionalist approach and neofunctionalism were products of the unique political environment created by the two World Wars. By the end of the 1950s, neofunctionalist thinking dominated the theoretical analysis of the emerging European integration process by arguing the process was an inevitable consequence of economic determinants and needs.

The most influential neofunctionalist analyst, Ernst Haas, tried to provide a theoretical explanation for the emerging institutional structures of European integration, such as the European Coal and Steel Community (ECSC) in 1951. Haas sees European integration as a process which emerges mainly because of the necessity to pool national sovereignty in the economic field in post-war Europe. Nation states and their governments realise the need to co-operate in economic terms, in order to be able to survive, which is why they agree to the integration of parts of their national economic sectors on a supranational level. The creation of the ECSC in 1951 therefore mainly emerged because of a 'convergence of demands within and among the nation states concerned' (Haas, 1968, pp. 286-9).

Because parts of the elites<sup>2</sup> within the participating nation states came to the conclusion that national interests in respect of coal and steel would be better served by integrating them into a national framework, they decided to set up the ECSC. In order to function properly, the ECSC needed at least a basic supranational institutional framework, which included a High Authority that supervised the harmonization of the national coal and steel sectors. According to Haas, the creation of a basic pattern for supranational institutions in one economic sector (such as coal and steel), gradually engendered a process of integrational 'spill-over' into other sectors of the national economies.

The drive behind this process of increasing integrational 'spill-over' from one sector to another emerged from two sides: Firstly, officials representing established supranational institutions (such as the High Authority of the ECSC), tend to try and extend their influence by pushing for further integration of the member states' national economies. Secondly, national elites and representatives also gradually agree towards the increasing entanglement of the member states' economies, because they realise that it is necessary in order to achieve domestic economic prosperity. As Haas argues, once the process of sectoral economic integration has begun, an increasing number of national interest groups gradually transfer their loyalties to the supranational institutions (Haas, 1968, p.317). They do so, because they realise that they stand a better chance to maintain their welfare interests by lobbying the representatives of the supranational institutions, than they can achieve through lobbying within the more limited national political arena. As a result, national interest groups team up with interests groups from other member states in order to exercise joint lobbying. They also demand greater integration because they assume that the supranational level will help them to maintain their interests better than it would be possible on the national level.

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<sup>2</sup> Haas defines elites in the way neofunctionalists understand them as 'the leaders of all relevant social groups who habitually participate in the making of public decisions, whether as policy-makers in government, as lobbyists or as spokesmen of political parties' (Haas, 1968, p. 16-19).

Haas gives the example of industrial interest groups in Europe, whose initial opposition towards greater integration changed as a result of their experiences of interacting with the supranational institutions and led to

‘the readiness of industrial groups to accept integration if accompanied by supranational institutions possessing powers of direction and control, potentially ‘dirigistic’ in nature. In 1951, all groups without exception opposed such an approach and were compelled by national legislative action to accept the ECSC rules. Four years later this unqualified opposition had changed to a demand for more supranational powers and control if specific benefits were expected from this’ (Haas, 1968, p. 317).

Neofunctionalists such as Haas believe that the ‘spill-over’ of economic integration into an increasing number of sectors of the national economies inevitably leads to the deepening of political integration. As the deepening of economic integration raises an increasing need for political supervision of the process, the emergence of a parallel process of political institutionalisation is unavoidable from the neofunctionalist point of view.

The gradual ‘spill-over’ process described by neofunctionalists is therefore twofold: At first the integration of one sector of the national economy creates pressures to ‘spill over’ into an increasing number of economic sectors. As a result, because greater institutional capacity is needed on the supranational level in order to supervise the process of economic integration, the integration process ‘spills over’ from the economic into the political field. The outcome would be the establishment of an increasingly dense and complex supranational institutional framework, towards which the nation states have lost large parts of their autonomy. Haas thinks that the institutionalisation of European integration in the 1950s, up to the Treaty of Rome, has already shown such a process is evolving:

‘Economic integration – with its evident political implications and causes – then became almost a universal battlecry, making complete the ‘spill-over’ from ECSC to Euratom and its promise of independence from oil imports, from sector common markets to the General Common Market’ (Haas, 1968, pp. 317).

Although neofunctionalists such as Haas remain quite vague about the possible final outcome of this process, they are determined in their belief that the nation states will gradually become less and less important. Nation states and their representatives realise that national solutions will be no longer be sufficient to provide for the needs of the people in an increasingly interdependent world. As a result, an increasing number of national elites will shift their loyalties to the supranational institutions, which manage the process of political 'spill-over' from the national to the supranational level:

'Political integration is the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities toward a new centre, whose institutions possess or demand jurisdiction over the pre-existing national states. The end result of political integration is a new political community, superimposed over the pre-existing ones' (Haas, 1968, pp. 16).

The problem with the neofunctionalist way of defining European integration is that it contains a contradictory gap between its description of the 'spill-over' process and the possible end result. While neofunctionalists see it as almost inevitable that the integration process, once it has been initiated in one economic sector, will 'spill over' into other economic, and later political sectors, they remain cautious to determine the final outcome. As can be seen in the quote above, in his earlier writings Haas still expected European integration to develop towards a new supranational community which would gradually replace the nation states. Haas therefore had no doubts that 'it is unlikely that the General Common Market can avoid a species of political federalism in order to function as an economic organ' (Haas, 1968, p. 317). In later reflections, Haas is more cautious and even criticizes neofunctionalism for failing to determine the end result of 'spill-over' processes. He states that 'neo-functionalist practitioners have difficulty achieving closure on a given case of regional integration because the terminal condition being observed is uncertain' (Haas, 1971, p. 23).

Haas now also realises the major weakness of neofunctionalist thinking. It concerns the question why, in spite of early neofunctionalist predictions, the major developments in European integration since the 1950s have mainly been initiated by national political leaders and governments. Although Community institutions have undoubtedly contributed to the development of supranational policies and regulations, they have not really taken over the leadership of the integration process from the national level. Therefore, a major transfer of loyalties from the national level to the Community level has only partially occurred. As Haas admits, the neofunctionalist prediction, that a new supranational centre would replace the nation state as the focus for national elites, cannot be maintained:

‘In short, while authority is certainly withdrawn from the preexisting units, it is not proportionately or symmetrically vested in a new centre; instead it is distributed asymmetrically among several centers (...) The ensemble would enjoy legitimacy in the eyes of its citizens though it would be difficult to pinpoint the focus of the legitimacy in a single authority center; rather, the image of infinitely tiered multiple loyalties might be the appropriate one’. (Haas, 1971, p. 32).

The main problem of neofunctionalists is therefore that, although they correctly describe the policy-making structure of the European Community, they come to unrealistic conclusions with regard to who is in charge of the integration process. The supranational Community institutions (such as the Commission, the European Parliament (EP) and the European Court of Justice) have undoubtedly taken over an increasing number of tasks from the member states. With the continuing extension of Qualified Majority Voting (QMV) into further areas of policy-making, the member states have voluntarily agreed to hand over a substantial part of their formerly autonomous decision-making powers to the supranational community level.

This process has definitely been influenced by the 'spill-over' processes neofunctionalists describe, meaning that successful integration in one area (e.g. coal and steel) leads to interest group pressures towards further integration in other areas (e.g. nuclear energy).

However, while member states were ready to give up parts of their sovereignty in certain areas and have hence also handed over the right of policy implementation in these areas to the supranational level, they have not abandoned their overall control of the integration process. With regard to the fundamental decisions on the development of European integration, which include institutional and procedural changes, member state governments remain firmly in charge. The major steps in European integration (such as the deepening of political and economic integration in the Maastricht Treaty) have only come about, because a group of member state governments wanted them to happen, and were then able to convince the others.

The Community institutions such as the Commission<sup>3</sup> and the European Parliament have certainly contributed to the proposals. As the final decision-making on major issues rests with the Council, no supranational institution has so far been capable of initiating major institutional or procedural changes without the consent of the member states. The intergovernmental council consequently remains the most powerful institution of the community, although it undoubtedly increasingly depends on the advice and the co-operation of the other institutions, especially the Commission. (Hix, 1999, p. 360, Wessels, 1991, p.148). The neofunctionalist assumption that the supranational institutions, such as the Commission, would become powerful enough to replace the nation state as a focus for the loyalties of national elites, has therefore turned out to be unrealistic. As Stephen George illustrates, none of the major loyalty shifts from the national to the community level, envisaged by neofunctionalists have in reality materialised:

‘With the exception of agriculture, there was no marked tendency for interest groups to operate at the EC level rather than at the national level in the 1960s and 1970s. Euro-groups did appear, but the major thrust of political lobbying remained at the national level.’ (George, 1996, p.43)

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<sup>3</sup> Especially under the leadership of Jaques Delors, Commission president between 1985 and 1995, the Commission took an active role in co-operating with the national governments in order to initiate major steps towards the deepening of economic and political integration (Wallace and Wallace, 2000, p. 15 and p. 94)

The concept of economic and political 'spill-over', as it was defined by neofunctionalists, therefore remains rather vague and is certainly not able to predict the development of European integration accurately. Although 'spill-over' processes do certainly happen, neofunctionalists tend to exaggerate the role of interest groups in the process (George, 1996, p.46 and p. 277, Pierson, 1998, p.29).

This leads them to jump to conclusions about the possible outcome. Rather than to focus more on the actual development process of European integration, neofunctionalists tend to put forward a simplistic and mechanistic hypothesis about the possible outcome of the process, before it has even been properly analysed. This is why, instead of analysing the actual process, neofunctionalists rather tend to assume the effect of sectional integration on the behaviour of national elites and interest groups and consequently on the importance of the nation state as a whole.

Neofunctionalism has hence been rightly criticised for its lack of empirical detail and its tendency to make unfounded predictions:

'There are no certain outcomes from the processes of political change, whether at the level of the state or in international politics (...) As such, the 'spillover' concept is suggestive more than it is precisely analytical or empirically accurate. The neofunctional model does identify some of the principal supranational agencies at work in the processes of international change. What it fails to offer, however, is any plausible account of how such actors manipulate or direct the regional process.' (O'Neill, 1996, p. 130)

In spite of its weaknesses, neofunctionalism should not be simply dismissed as a worthless approach, because it has rightly drawn attention to the 'spill-over' processes that continue to take place in many policy areas. They lead to an increasingly dense network of shared responsibilities between the different levels (regional, national and the supranational Community level) in terms of policy-making. In this respect, neofunctionalists offer a valuable perspective for an analysis of a process which will definitely continue.

In an EU which has to deal with a rising number of issues that can no longer be solved on the regional or the national level in a sufficient way, national governments will in many cases willingly share responsibilities with the Community institutions.

Neofunctionalists are wrong after all when they conclude that the decline of the nation state will be the end result of this process of 'spill-over' of responsibilities. In spite of neofunctionalist predictions, the EU member states have basically preserved their ability to act as autonomous nations. None of the Community institutions has so far become powerful enough to deprive the national level of fundamental powers without the specific consent of the latter. Neofunctionalists should therefore accept that 'states possess formal sovereignty, and only the recognized legitimate representatives of the state can agree to surrender or "pool" that sovereignty' (George, 1996, p. 54).

### **1.3. Intergovernmentalism**

The dominance of the neofunctionalist interpretations of the European integration process in the 1950s and 60s led to the rise of a number of approaches, which essentially questioned the basic assumptions of neofunctionalism. Especially the unfounded neofunctionalist assumption, that the nation state would be increasingly weakened by the process of integrational 'spill-over'. Critics countered the neofunctionalist argument by pointing out that, contrary to the neofunctionalist predictions, national governments still remain the essential players, which initiate most of the major developments in European integration. From the point of view of this opposing strand of European integration theory, the process of European integration remains mainly an intergovernmental one. Therefore, any coherent explanation of major developments in the integration process would have to be based on an analysis of the member states' national interests and preferences. From the intergovernmentalist point of view, integrational progress could only be achieved if there was a correspondence of national preferences among a group of member states in a certain area.

The briskest rebuttal of the neofunctionalist approach came from Stanley Hoffmann's realist intergovernmental analysis of European integration. Hoffmann's intergovernmental approach was based on the realist view of the world, a classic theory of international relations. From the realist point of view, international politics takes place in an environment which is basically characterized by a state of anarchy. Hence, nation states are important entities as only they would be capable of providing the international environment with a basic structural order.

Because nation states operate in an anarchic international environment, they find themselves in a constant process of fighting for their own survival against other states. It is for that reason that their main interest lies in providing for their own security. The realist view of international relations consequently remains very pessimistic about the successful establishment of any supranational institutional framework which goes beyond the national level. Realists are especially sceptical regarding the ability of any supranational institution to bring an end to the anarchic state of the international environment, because the supranational level would never be able to adequately look after domestic wants and needs.

Stanley Hoffmann's analysis of the European integration process adopts these realist assumptions, and hence concludes that the idea that the integration process could fundamentally weaken the nation state's sovereignty is flawed. From Hoffmann's point of view, nation states voluntarily decide to co-operate within regional organisations, such as the European Community. In spite of this, they remain firmly in control of the process and even in full control of any supranational entity that has been created. He especially points out that the functionalist/neofunctionalist notion of the inevitable gradual transfer of national loyalties to the supranational level has been proven wrong by the post-war development of European integration:

'So far, the 'transferring [of] exclusive expectations of benefits from the nation-state to some larger entity' leaves the nation-state both as the main focus of expectations, and as the initiator, pace-setter, supervisor, and often destroyer of the larger entity: for in the international arena the state is still the highest possessor of power, and while not every state is a political community there is as yet no political community more inclusive than the state.' (Hoffmann, 1966, p.908).

For Hoffmann, the major flaw in neofunctionalist thinking is the assumption that sectoral economic integration will inevitably lead to the transfer of national loyalties and thus result in increasing political integration. In his opinion, the creation of a European state could not happen as a gradual functional process of 'spill-over', but only by general agreement among the people of Europe 'by consent and through the abdication of the previous separate states' (Hoffman, 1966, p. 910).

Considering Hoffmann's realist background, it is not surprising that he considers this outlook to be rather utopian (Hoffmann, 1966, p.911), as he believes that the people of Europe will only agree to limited co-operation among strong and sovereign nation states. He accepts, however, that the process of limited European integration does not leave the nation state unchanged. Although the nation state remains robust in its defence against any attempts which would threaten its sovereignty, European integration has enhanced the national political arena of decision-making. With the establishment of supranational institutions, each member state hence faces a much more heterogeneous set of actors which influence the decision-making process on the national level. (Hoffmann, 1966, p. 911).

In his earlier writings, Hoffmann is still unsure about the possible outcome of European integration. He does not rule out the possibility that the nation state could one day be made redundant by a bigger entity, as 'there are many ways of going "beyond the nation-state" ' (Hoffmann, 1966, p.911). Hoffmann nevertheless refuses to accept the utopian outlook of neofunctionalists and federalists who tend to make predictions about the future of European integration which cannot yet be proven by evidence. His rather pragmatic analysis of the integration process mainly focuses on what has been achieved at the time of investigation. That is why, contrary to his earlier assumptions, in his later writings, Hoffmann accepts that the European Community can no longer simply be described as an 'intergovernmental regime (...)' but as a network involving the pooling of sovereignty' (Keohane and Hoffmann, 1991, p.10). Hoffmann now accepts that the increasingly complex political process of the Community takes place among a multiplicity of actors on different levels (Ibid, p.10). However, Hoffmann still emphasizes that it is the process of interstate bargaining which continues to determine the course of the integration process.

As he rightly explains, the fact that policy processes within the European Community take place amongst a network of multiple actors on different levels, does not mean that national governments have lost their powers to determine fundamental decisions. No single Community institution is able to initiate fundamental changes in the European integration process without the consent of (at least a majority) of member states in the Council. Consequently, in order for any new policy sector to be transferred to the Community level, consent among member state is indispensable and continues to be achieved in the form of intergovernmental bargains.

For Hoffmann, a coherent analysis of the integration process thus has to take account of domestic member state preferences, which the latter then try to defend in a process intergovernmental bargaining. He presents the establishment of the ECSC and the EEC as well as the groundbreaking Single European Act as examples (Keohane and Hoffmann, 1991, pp. 16-22). In Hoffmann's opinion, none of these major steps in European integration would have ever come into existence without a general correspondence of the national interests of a group of member states.

The neofunctionalist focus on the influence of supranational actors and institutions would consequently lead to a one-sided interpretation of the development of European integration:

‘Our argument is that successful spillover requires prior programmatic agreement among governments, expressed in an intergovernmental bargain (...) The analyst must eventually go beyond these interstate bargains to the domestic political processes of the member states, on the one hand, and to the constraints of international institutions, on the other. Yet these interstate bargains remain the necessary conditions for European integration and must be recognized as such.’ (Keohane and Hoffmann, 1991, p. 17).

The main weakness of Hoffmann's approach is probably his neglect of the influence supranational actors have on the process of national preference formation on the domestic level, as well as on the process of interstate bargaining on the supranational level.

Although Hoffmann accepts that the Community's policy-making process has become more heterogeneous and is influenced by a multiplicity of actors, he does not really analyse how the supranational level influences the national level of decision-making (O'Neill, 1996, p. 65 and pp. 68-69).

More modern intergovernmentalist accounts of European integration have tried to approach this fundamental weakness of the Hoffmann thesis by taking account of the growing influence of supranational actors. While they still insist that the EU member states remain the crucial actors in the decision-making process of European integration, they tend to accept that transnational interests have become part of it. Probably the most prominent example for this 'modern' state-centric approach is Andrew Moravcsik's liberal intergovernmentalist theory, developed in the 1990s. Moravcsik's basic hypothesis is that member states are still essentially in control of the integration process. From Moravcsik's point of view, a complete account of the community's decision-making process has to consist of an analysis of two levels: firstly the domestic political environment of each member state, secondly the supranational level of the Community, where interstate bargaining among member states takes place.

Moravcsik's analysis of the basic level, the domestic political environment of each member state, is based on a liberal theory of national preference formation. Moravcsik considers national preferences of member states to emerge in a process of interaction between state and societal actors. This effectively means that state and government representatives negotiate with interest groups in order to determine the national preferences in a variety of policy sectors. However, what Moravcsik means when he speaks of 'preferences', goes far beyond the determination of policy goals and includes

‘a set of underlying national objectives independent of any particular international negotiation to expand exports, to enhance security vis-à-vis a particular threat, or to realise some ideational goal (...) Preferences reflect the objectives of those domestic groups which influence the state apparatus.’ (Moravcsik, 1998, p.20 and p. 24)

That Moravcsik goes beyond Hoffmann's realist intergovernmentalist approach is shown by the fact that he already sees the domestic political process of national preference formation 'determined by the constraints and opportunities imposed by economic interdependence' (Moravcsik, 1993, p. 482). This means that from Moravcsik's point of view, no member state's domestic political arena is isolated from outside influences but, on the contrary, strongly influenced by the global economy and coalitions between national and transnational interest groups (Moravcsik, 1993, p. 481).

The next step in Moravcsik's European integration model takes place after the process of national preference formation has been completed on the domestic political level. Then, national governments and their representatives officially determine their preferences and present them to other member states in a process of interstate bargaining on the Community level (mainly in the Council and at IGCs). In this process of interstate bargaining, each member state tries to hold on to as many of its own preferences as possible. It is for that reason that member states look out for other member states with similar national preferences in certain areas, in order to perform coalition building. This will facilitate the successful outcome of the bargaining process for them. For Moravcsik, the analysis of this second stage results in an intergovernmentalist account of the bargaining process between member states and their outcomes. (Moravcsik, 1993, p. 298).

Concerning the question why states are willing to enter processes of interstate bargaining at all, Moravcsik sees one reason in the desire of each national government to remain in office as long as possible. As Moravcsik argues, national governments are strengthened domestically if they manage to present successful outcomes of the bargaining process at home (Moravcsik, 1993, p. 483 and p.515). Moreover, the main reason why states enter a bargaining process, which very often results in the partial pooling of sovereignty, stems from the fact that in an increasingly globalised world they gain from a process of transnational co-operation and partial integration. Moravcsik adds a third and final step to his two-level analysis of the integration process, which follows the conclusion of the intergovernmental bargaining process.

By pointing out that member states tend to determine themselves to what extent they delegate parts of their sovereignty onto the supranational institutional level, they remain in firm and final control of the results of the interstate bargains:

‘They choose whether to delegate and pool sovereignty in international institutions that secure the substantive agreements they have made.’ (Moravcsik, 1998, p.20).

It is at this point that Moravcsik makes a clear distinction between his approach and neofunctionalism. Whereas neofunctionalists assume that state representatives gradually lose control of the integration process and supranational actors thus take over more and more responsibilities, Moravcsik insists that national representatives remain basically autonomous in their choice. Consequently, which powers community institutions are allowed to adopt, depends on the willingness of the national governments to transfer parts of their sovereignty:

‘Where neofunctionalism emphasized the active role of supranational officials in shaping bargaining outcomes, liberal intergovernmentalism stresses instead passive institutions and the autonomy of national leaders.’ (Moravcsik, 1993, p. 517-519).

Moravcsik has tried to prove his theoretical assumption in a profound study of the negotiations that led to the Single European Act in 1987, which became the basis for the Maastricht Treaty of 1992. In his study published in 1991, Moravcsik argues that the decisions included in the SEA only came about because of a convergence of national interests between the three largest member states, namely Britain, France and Germany (Moravcsik, 1991, pp. 48-53). As Moravcsik shows, especially in terms of economic policies, the three major European states could agree on a basic integrative framework, which would enable the establishment of a Common Market. The basis for this major step in the development of European integration which also led to increasing flexibility through Qualified Majority Voting (QMV), was a process of interstate bargaining between the member states. Moravcsik illustrates that the rather anti-integrationist British Prime Minister, Margaret Thatcher could only be convinced to agree to abandon the principle of unanimous decision-making in some areas because she was interested in making the internal market project work (Moravcsik, 1991, p.61).

In his study, Moravcsik especially stresses that during the SEA negotiations, supranational actors such as the Commission did not acquire the role which neofunctionalists had foreseen for them. Although the Commission under the active leadership of Jaques Delors influenced the discussions on the SEA significantly by putting forward its own proposals, the final contents of the SEA were determined by the leading figures of the member state governments:

‘Cockfield and Delors acted on the margins to broaden the White Paper and the SEA, and they may have contributed to the remarkable speed of decision making at the intergovernmental conference. Nevertheless, the broader outlines of both documents were proposed, negotiated, and approved, often in advance of Commission initiatives, by the heads of governments themselves. Indeed, the breakthrough in the relaunching of the EC had already occurred before Delors became president of the Commission.’ (Moravcsik, 1991, p. 65)

By providing a modernised version of intergovernmentalism, Moravcsik has certainly made an important contribution to the theoretical debate on the development of European integration. His state-centric two-level model of national preference formation on the domestic level and interstate bargaining on the supranational level usefully describes how, even today, major decisions are still being achieved in the community. However, although Moravcsik takes the possible influence of supranational actors into greater account than Hoffmann's classic intergovernmentalism has done, he is still being criticised for being too narrow in his approach. Moravcsik mentions the influence of supranational actors on the domestic process of preference formation, but he provides no deeper analysis of the possible effect of the increasingly shared responsibilities with regard to policy-making among different levels.

Ben Rosamond therefore accuses him of a circular argument, which is determined to lead back to the hypothesis that national interests and bargaining powers are the crucial factors in the integration process:

‘For liberal intergovernmentalists, the chosen level of analysis is national governments and the key research questions concern the ways in which these emissaries of national interests interact when placed in the institutional confines of the EU. What is studied as integration outcomes is the product of these games. This may be a route to theoretical parsimony, but it also threatens a circular form of argument that excludes alternative explanations which might emphasize the importance of non-state variables (Rosamond, 2000, pp.152-153).

Such criticism is certainly legitimate, especially if one tries to assess Moravcsik's approach in terms of its analytical completeness. In spite of this, Moravcsik's claim that member states continue to have the most crucial role in determining the outcome of fundamental decisions in the Community, remains valid. In contrast, the Commission has in fact lost influence in the course of the last ten years<sup>4</sup>. He is also correct in his assumption that the process of European integration has so far rather helped the nation states to survive in an increasingly globalised environment than it has weakened them.

The latter hypothesis is supported by a number of other intergovernmentalist, among them Alan Milward. He claims that national governments decided to start the process of European institutional integration after 1945, because they felt the need to establish an institutional framework which would enable them to co-operate effectively. For Milward, member states created supranational institutions such as the ECSC in order to achieve better results on the supranational level than would have been possible at the independent, domestic level.

European integration has therefore contributed to the rescue of the nation state, which would otherwise have found it hard to compete in the increasingly globalised post-war environment (Milward and Sorensen, 1993, p. 5 and p. 21).

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<sup>4</sup> By referring to the post-Delors Commissions of Jaques Santer and Romano Prodi, William Wallace argues that the more recent loss of influence for the Commission has been ‘the result of weak internal management and coordination, overstretched staff, and lacklustre leadership (...)’. Wallace also comes to the conclusion that the general trend seems to lead towards ‘an underlying shift of influence away from the Commission towards other EU institutions and the member governments’. (Wallace, 2000, p.15)

From Milward's point of view, the national governments have at all times been in full control of the integration process, and have not abandoned their essential decision-making powers to the supranational level:

(...) the ECSC, the Common Agricultural Policy and the Common Market were indispensable pillars of Europe's reconstruction. But each was and is designed to resolve a particular and limited, not a generalized and universal, problem. (Milward, 1984, p. 495).

Milward strongly rejects the neofunctionalist expectation that the nation state gradually loses its sovereignty to the supranational institutional level in a process of a 'spill-over' of loyalties. He argues that the development of European integration since the 1950s has proven neofunctionalists wrong. Contrary to their belief, national governments have continued to be able to control the integration process in full, which also allowed them to set limits, if they thought it to be necessary. In Milward's opinion, the expected transfer of control over the fundamental decisions on the future of integration did therefore not take place. As an example, Milward mentions the 'empty chair-crisis' of 1965, in which French president DeGaulle asserted the right to maintain national control over the future development of the Community (Milward and Sorensen, 1993, p.15). The conclusion for Milward is thus that even in a European framework of growing institutional complexity, the different national preferences of member states remain 'of crucial importance in understanding why the history of European integration has been one of fits and starts rather than of linear progression' (Milward, 1993, p.21).

Nevertheless, in this context Milward criticises both neofunctionalism and Stanley Hoffmann's classic realist intergovernmentalist approach of coming to unrealistic, far-reaching conclusions about the integration process.

While neofunctionalists tend to predict that in the long run, the Community level will deprive the nation state of more and more of its functions, Hoffmann's approach argues that the chances are slim that the integration process will ever expand into substantial areas of national sovereignty. From Milward's point of view, both of these approaches are too rigid in their determination of the outcomes of integration.

For his own approach, Milward thus limits himself to the analysis of what has actually happened since 1945 and remains rather cautious about making long-term predictions (Milward, 1993, p.20). He stresses that no integration theory should attempt to predict the future shape of the community, as it will be determined by a variety of continually changing national preferences:

‘While we start from the realist position that the modern nation-state is still the ultimate arbiter of its own destiny, our hypotheses are open-ended about the implications of such a statement for European integration (...) We, in contrast, assume the European Community to be an international framework constructed by the nation-state for the completion of its own domestic policy objectives – a hypothesis that allows for an episodic development of European integration reflecting changes in domestic politics rather than the incremental progression postulated by other integration theories.’ (Milward, 1993, pp. 20-21).

While Moravcsik and Milward both still focus primarily on the nation state as the crucial actor in the integration process, other intergovernmental approaches tend to go further in their appreciation of the changes the nation state undergoes in the process. One example is Wolfgang Wessel's approach, which is still based on the notion that states remain the principal pace-setters of the integration process (Rosamond, 2000, p.140). Wessel's analysis nevertheless already tends towards multi-level models of European integration, as he accepts that the nature of state sovereignty has fundamentally changed in the course of European integration.

As Wessels argues, the member state governments of the European Community accepted the fact that they had to transfer a growing number of competences to the Community level in order to be economically successful in an increasingly interdependent world. It was the only way for them to provide for the welfare of their citizens and consequently to maintain their domestic electoral support (Wessels, 1991, p. 135). For Wessels, as a result of the increasing transfer of competencies from the national to the Community level, the EC has acquired state-like characteristics, while member states have been downgraded to 'co-decisionmakers' in a 'political game of two levels' (Wessels, 1991, pp. 136-137).

Wessels compares this new system of co-decision making between the national and the community level with co-operative federal political systems such as the United States and Germany:

‘But the transfer of real powers to the EC and their extensive use by the Council (which in its decision making and interaction style points at an amalgamation of national systems) make actual practice closer to a federal system of co-operative federalism such as that in the United States and the Federal Republic of Germany.’ (Wessels, 1991, p. 137).

As can be seen, Wessel's approach remains basically intergovernmental, because he sees the Council, the Community institution in which member states negotiate, as the body in which 'vital decisions for the future of the Community are normally taken' (Wessels, 1993, p. 145). What makes Wessel's approach more far-reaching than, for example, that of Moravcsik and Milward, is his definition of the Council as an institution which is itself part of a supranational institutional framework, and not simply a forum for intergovernmental bargains between national government representatives. By accepting the Council as a forum for interstate bargaining, member states therefore agree to negotiate under the conditions of a supranational institution. The Council consequently turns into the 'major control mechanism through which states give up autonomy for well-guaranteed access and influence' (Wessels, 1991, p.137)

By comparing the Hoffmann thesis with the more modern approaches, it can be seen that the intergovernmentalist strand of European integration theory has tried to keep up to date with the developments of the past fifty years. However, the question remains as to how far intergovernmentalists manage to fully account for the complexity of the institutional and procedural system of the EU. The more recent approaches tend to appreciate the fact that, at least the day-to-day policy-making processes take place among a multiplicity of actors and different levels.

Yet many intergovernmental accounts still lack a profound analysis of how these processes might actually change the traditional role of the nation-state as the pace-setter of the integration process. Intergovernmentalism consequently remains vulnerable to critics who accuse it of being too narrow-minded in its state-centric focus. The question remains, if intergovernmentalists do not show a tendency to neglect the analysis of areas in which the supranational level produces outcomes, which had not been intended by the member state governments. In a Community in which the institutional and procedural setting has become increasingly complex since the passing of major integrative treaties in the 1980s and 90s, it is increasingly doubtful that national governments will be able to fully control the limits of the integration process (Hix and Goetz, 2001, p.8). Although most decisions still have to be approved by the Council, it is therefore possible that the supranational Community institutions such as the ECJ and the Commission interpret them in a way which produces policy outcomes that had not been intended by the national governments (Sweet and Sandholtz, 1998, p.26). Many critics of intergovernmentalism thus argue that it is a theory which has had its time and no longer provides an adequate analysis of the present setting of the Community. Ben Rosamond probably gets to the heart of this criticism when he sums up the flaw of the intergovernmentalist approach, which in his opinion is

‘(...) to conclude that because the organs of supranational governance have not developed into nation-state-like repositories of power and authority, it follows that there has been no meaningful displacement in the authority of the member-states (...) In *de jure* terms they are sovereign (i.e. free from external restraint). Yet in *de facto* terms, there appear to be multiple challenges to states’ authority – of which the EU is but one instance. (Rosamond, 2000, p.154-155)’

The validity of intergovernmental approaches in terms of the analysis of the major developments on the macro level of the integration process, such as at the crucial Council meetings and at IGCs, where major decisions are being made, remains. Nevertheless, the analysis of the micro level of community policy-making on a day-to-day basis probably needs an approach which goes further than intergovernmentalists tend to do. In order to understand how these policy processes take place and why certain outcomes happen, a broader approach will be needed.

That is the case because, as Michael O'Neill puts it, intergovernmentalists tend to take a point of view 'which emphasises national interests as the sole priority of the EU to the exclusion of the supranational dimension, continues to offer an unbalanced account of the regional process.' (O'Neill, 1996, p.135).

#### **1.4. Multi-level governance**

In this respect it is interesting to look at theoretical approaches which especially focus on the weaknesses of intergovernmentalism, and try to account for the actual institutional and procedural framework of the EU by characterising it as a system of power sharing between multiple levels. These multi-level governance approaches do not fundamentally reject the intergovernmental claim that nation state representatives still play an important part in shaping the development of the integration process. Instead, multi-level governance theory stresses the limitations of the intergovernmentalist point of view with regard to the explanation of the outcome of decision- and policy-making on the Community level. By trying to modernise the neofunctionalist argument that the integrational 'spill-over' inevitably weakens the function of the nation state as the principal actor, multi-level governance theory tries to establish a modern alternative to intergovernmental theories of integration.

Multi-level governance theory does not argue that the national autonomy of member states would be threatened by the integration process. However, from its point of view, the integration process has created such a complex institutional and procedural network that the nation state inevitably becomes one actor among many, although admittedly a very important one.

As Gary Marks, Liesbet Hooghe and Kermit Blank argue, a complete analysis of the European integration process hence must not be limited to state actors:

'The multi-level governance model does not reject the view that state executives and state arenas are important, or that these remain the *most* important pieces of the European puzzle (...) but, according to the multi-level governance model, one must also analyse the independent role of European level actors to explain European policy-making.' (Marks, Hooghe and Blank, 1998, p.276).

From the point of view of multi-level governance theorists, the development of European integration has led to a Community system in which the domestic political level is no longer the only level on which crucial decisions are made.

On the contrary, supranational institutions have increasingly managed to secure their influence on the decision- and policy-making process. This would demand that analysts of European integration need to look beyond the state level in order to understand how policy outcomes are achieved in the community. From a multi-level governance point of view, the fundamental weakness of intergovernmentalist accounts is therefore 'the separation between domestic and international politics, which lies at the heart of the state-centric model' (Marks, Hooghe and Blank, 1998, p. 277).

Analysts who favour the multi-level governance approach also adopt the neofunctionalist concept of the 'spill-over' of the focus of interest group lobbying from the national level to the supranational institutions. They argue that in a network of multi-level policy-making on the Community level, the increasing interaction between national elites and supranational institutions is an inevitable consequence. The result of this would be the development of a 'transnational society', in which interest groups increasingly focus on the supranational institutions (such as the European Commission). This would consequently strengthen the authority of the latter (Sweet and Sandholtz, 1998, p. 6). Although the concepts of multi-level governance remain rather sceptical about the neofunctionalist notion that loyalties would indeed be transferred from national to the supranational level, they still agree with the essential neofunctionalist concept of 'spill-over' (Sweet and Sandholtz, 1998, p.6).

Multi-level governance approaches are therefore more cautious about coming to hasty conclusions about the fate of the nation state. On the contrary, most of these accounts stress that the member states and their governments remain crucial actors with regard to the determination of the integration process. However, from a multi-level governance point of a view, the EU in its present shape has to be characterized as a system in which a 'complex balancing act between Council, Parliament and

Commission' takes place, whereby each of these institutions is equally important for the outcome of the legislative process (Marks, Hooghe and Blank, 1998, p.285).

In a globalised environment, state representatives would thus gradually have to come to terms with the fact that they are no longer able to maintain national control over each and every single issue.

Multi-level governance theorists therefore argue that national governments willingly transfer powers to supranational institutions such as the Commission, in order for them to implement decisions independently. State representatives would rather choose to give away parts of their sovereign control than to accept failure, 'because the political benefits outweigh the cost of losing control' (Hix, 1999, p.365).

This would not mean, however, that the nation state as an entity has been made redundant, as states would remain strong enough to resist any substantial threat to their existence. At least in this respect, multi-level governance continues to rely on the basic argument of intergovernmentalism:

'Multi-level governance does not confront the sovereignty of states directly (...) State-centric theorists are right when they argue that states are extremely powerful institutions that are capable of crushing direct threats to their existence (...) One does not have to argue that states are on the verge of political extinction to believe that their control of those living in their territories has significantly weakened.'  
(Hix, 1999, p.365).

Multi-level governance theorists have definitely made an important contribution to the theoretical debate on European integration, as they clearly stress that the policy-making process of the Community can no longer simply be described as one of intergovernmental bargaining. Member state governments have indeed voluntarily transferred an increasing amount of formerly national tasks to the institutional level of the Community. Supranational institutions such as the Commission have therefore become increasingly independent in certain policy domains in which the national governments have accepted the executive powers of the Commission.

Multi-level governance supporters have thus been right to criticise intergovernmental approaches for being too narrow, especially in terms of the analysis of day-to-day policy-making processes on the micro level. The definition of the EU as a network of power sharing between various multiple levels has one major weakness however: Although it claims to be a modern alternative to both neofunctionalism and intergovernmentalism, it provides analytical completeness only for the micro level of policy-making. Multi-level governance approaches fail to determine, if the supranational institutions of the Community will continue to gain power from the national level, which would consequently make the national level less important than it is today. The multi-level notion of a 'transnational society' therefore remains rather vague.

With regard to the actual decision-making process on the macro level, where the major decisions on institutional and procedural developments still mainly depend on the consent of national government representatives, such a concept would be hard to verify. In this respect, multi-level governance is definitely leaning too closely towards the supranational integration theory school in order to provide a balanced view on the future of European integration.

### **1.5. Conclusion: What kind of Europe?**

The debate about the definition of the integration process will go on as long as the process of development for the institutional and procedural framework of the EU remains in flux. As has been shown by this assessment of the major integration theories, the last fifty years of theoretical discussion have been dominated by mutual accusations of presenting an unbalanced view, made on all sides of the analytical spectrum. The continuing institutional and procedural changes of the Community framework, which have become ever more complex due to the major treaties of the late 1980s and 1990s (SEA, Treaties of Maastricht, Amsterdam and Nice), have not made it easier for analysts to achieve a common analytical basis. Because of the complexity of the European integration process, all strands of integration theory have made more or less valid contributions to the analytical debate and all have shown strengths and weaknesses.

Intergovernmentalists are right to insist that it would be premature to write off domestic preferences as the crucial basis for the integration process. Neofunctionalists have made an important contribution to the debate when they pointed out that in the course of the integration process, non-state actors have increasingly managed to influence the decision-making process.

Although still controlled by the member states, the impetus for the deepening of the integration process has therefore very often been fundamentally influenced by transnational actors, a point which is often neglected by state-centric approaches.

The more recent explanations of the Community as a system of multi-level governance have developed this neofunctionalist notion further. They have shown that national governments have had to accept the fact that they would no longer be able to control each and every aspect of policy outcomes on the micro level of policy-making. For a study which intends to examine the significance of member state preferences for the development of the integration process in general, it is of crucial importance to establish how far these preferences still matter in the present setting of the EU. The question therefore is, to what extent individual member states are still able to influence crucial decisions which determine institutional, procedural and major policy developments.

At present, the general consensus among most analysts in this respect seems to be that one has to differentiate between the micro-level of day-to-day policy-making and implementation, as well as the macro-level of decision-making in terms of fundamental integrative steps and institutional changes. On the micro level, member state representatives are undoubtedly no longer the only crucial actors. As member states have voluntarily agreed to transfer growing parts of their formerly sovereign national policy-making powers to the Community institutions, the micro level of policy-making (i.e. excluding fundamental decisions) can be characterised as one of shared competencies among multiple actors. On this basic policy-making level, member state representatives in the Council co-operate with the European Parliament, the European Court of Justice and the Commission, the latter of which has gained an increasing scope to act independently in a number of policy areas.

At least in terms of the micro level of policy-making, it would hence probably be wise to adapt the notion of 'post-sovereignty' (Wallace, 2000, p.532) or 'autonomy' (Rosamond, 2000, p. 155) with regard to the status of member states. On this level of day-to-day policy-making and implementation, member state representatives still have a crucial say, but they have to accept that the outcome of the process will be significantly influenced by other supranational players on the Community level. Consequently, it would be wrong to suggest that this multi-level process of EU policy-making leaves member states in an equally sovereign position to the one they were in before they entered the integration process. The fact that Community policies and law have to be implemented by the member states, once the policy-making process has been completed, shows that member states possess only semi-sovereign authority in this respect. It is also important to note that Community law even takes precedence over national law, which means that member state governments have to abide by the rulings of the European Court of Justice in terms of treaty and policy interpretations (Weiler, 1999, p. 67 and pp. 190-201).

Member states have therefore accepted that the pooling of sovereignty as part of the European integration process includes the fact that

'the institutions of the Community have the right and power, accorded to them by a treaty concluded for an unlimited period, to make directly applicable law within a broader sphere of competence, law which takes precedence over the law of the member states.' (Forsyth, 1994, p.57)

On the other hand, the macro-level of EU decision-making shows a different picture. Contrary to the expectations of the supranational accounts of European integration, the member states are still in firm control of the fundamental decisions with regard to the future of the integration process. None of the supranational EU institutions has the power to implement changes in the Community treaties or make fundamental decisions on EU policies, without the unanimous consent of (at least a majority of) member state representatives in the Council. Therefore, neither the Commission, the EP, nor the ECJ can expand their own powers if member state governments do not agree.

The Community institutions have so far only gained increasing powers, because member state governments were ready to grant them as part of major integrationist treaties, like the Single European Act and the Maastricht Treaty. Any future changes towards the further deepening of integration, which might make the institutions more powerful will therefore depend on the member states' consent.

Contrary to the neofunctionalist assumption, so far member states have not been willing to hand over the control of the integration process to the supranational level. Even if they have agreed to decide an increasing number of issues by Qualified Majority Voting (QMV) and have agreed to the institutionalisation of a growing number of policy areas on the Community level, they remain firmly in charge in terms of major developments. As Stephen George puts it, 'states possess formal sovereignty, and only the recognised legitimate representatives of the state can agree to surrender or "pool" that sovereignty' (George, 1996, p.54). Simon Hix stresses that 'the EU governments set the long-term policy agenda (...), they also control the delegation of powers to the European level and between the EU institutions' (Hix and Goetz, 2001, p.6). Joseph Weiler goes even further by hinting, that apart from the consent of the member state governments, treaty changes also have to be ratified by all member states' national parliaments, which stresses that the domestic arena remains important even beyond the national government preferences (Weiler, 1999, p.80).

While the micro level of policy-making demands a multi-level perspective, which takes the variety of state and non-state actors into account, the macro level, on which the major developments of the Community framework is decided, is still mainly driven by a process of interstate bargaining along the lines of Moravcsik's approach. In order to determine the future direction of the integration process in terms of the various essential decisions<sup>5</sup>, a profound analysis of the preferences, which are developed at the domestic level of each member state, still offers the most valid results. The various interests which influence the formation of national government preferences on the domestic level of each member states, which does certainly include non-state actors such as transnational business groups, have to be considered.

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<sup>5</sup> These include institutional and procedural reform, enlargement, institutionalisation of major policy area such as defence and security, asylum and border controls and taxation.

Only by taking them into account, one will be able to fully grasp why states put forward certain positions in the interstate bargaining process at Intergovernmental Conferences (IGCs) and in the Council.

William Wallace therefore rightly stresses that while the increasingly complex policy-making process is no longer fully controlled by the member states, the general strategic decisions remain firmly in the hands of the member states:

‘A macropolitical perspective on EU policy-making offers a broad landscape of strategic decisions, agreed among political leaders. A micropolitical perspective, in contrast, offers a crowded and confused picture of multiple activities: a Breughel, rather than a Monnet.’ (Wallace, 2000, p. 528).

Contrary to the widespread discussion about a ‘federal Europe’, in which more and more powers would be transferred from the member states to the Brussels bureaucracy<sup>6</sup>, the EU in its present form can be best described as a confederation of basically autonomous member states.

Although the member states of the EU have agreed to the partial pooling of sovereignty in certain policy areas and have also accepted that supremacy of EU law over national law, the EU has not developed into a full federal state. As John Pinder argues, a federal state structure would demand that the ‘institutions would likewise have to be reformed beyond what is provided in the Maastricht Treaty in order to be able to exercise their powers effectively and democratically’ (Pinder, 1993, p.62).

Neither the Amsterdam nor the Nice treaty have provided such steps. The EU in its present setting remains a confederation of member states, which have partially pooled their sovereignty in an institutional framework. This can be best shown by the weakness of the European Parliament. Although the Commission increasingly takes on the shape of a European executive, the European Parliament does not possess the independent legislative powers most national parliaments have.

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<sup>6</sup> Jacques Vandamme stresses that the debate about a ‘federal Europe’ very often misinterprets the term ‘federal’ which ‘does not require everything to be centralised. On the contrary, the essence of federalism lies in the decentralisation of authority and the distribution of the broadest possible powers to the lowest possible levels (...).’ (Vandamme, 1998 , p.146).

The legislative powers rest with the member states in the Council and the European Parliament still only has weak advisory functions in the legislative process. As Murray Forsyth argues, the weak standing of the European Parliament is typical for a confederation (Forsyth, 1981, p. 187).

The development of the EU into a fully federal government would therefore demand the removal of the still predominant intergovernmental element in the shape of the Council as the principal decision-making body.

As Jacques Vandamme explains,

‘the creation of a federal state would involve the transfer of *all* of the most important components of national sovereignty, with compulsory means of implementation at the level of the central authority. This would include such vital policy areas as foreign and defence policy.’ (Vandamme, 1998, p.152).

Member states may in the future decide to restrict their own influence and grant the supranational institutions of the EU far greater powers, which would then give the EU state-like qualities. In its present setting however, the EU’s political system is hardly more than a confederation with a system of co-operative policy-making among various multiple levels. The final say on strategic decisions rests with the member states. Apart from the institutional changes such a federal system would require, one must also not overlook the cultural aspects such a step would demand. The citizens of the EU member states do not share a common language, which would be a prerequisite for the foundation of any functioning state.

In order to create a functioning European federal ‘superstate’, which would then have to be based on the loyalties of the people of Europe, it would be indispensable to share a common language. It could then act as a bond in order to overcome the still predominant cultural differences between the different nations (Forsyth, 1981, p.241). As Harry Siedentop warns, ‘the experiences of federal states which have attempted to combine different “official” languages are far from reassuring’ (Siedentop, 2000, p.12).

The future of the EU remains in transition and coming developments might turn it into a completely different entity than the one we have to consider now. At present, however, national aspects are still crucial for the development of European integration. For that reason a major part of the analysis of European integration continues to focus on the national interests and government preferences of the member states. They are the ones who hold the key to modernize the integration project and who expand it successfully to the aspiring accession candidates in Central and Eastern Europe.

As Ben Rosamond remarks, for any analysis of European integration this means that the national level must remain a crucial factor:

‘The formal institutions and policy-making processes of the EU might represent the emergence of a new and complex polity, but most analysts (...) find it difficult to factor the state out of their framework completely. Indeed, a large proportion still regards the state as the primary actor in the development of European integration. (Rosamond, 2000, p. 130)

## **Appendix 2**

### **Telephone interview with Rt Hon John Redwood MP (Conservative)**

7 February 2001

#### **1. Which, in your opinion, would be the necessary reforms the European Union has to undertake?**

- It needs to tax less, regulate less and generally deregulate
- It is wrong to undertake projects which deepen the political integration of the EU, like e.g. CFSP and EMU
- Nevertheless, it is not the position of the Conservative party to argue for Britain leaving the EU, no matter what the circumstances are

#### **2. Do you see any perspectives for enhanced co-operation between Britain and Germany within the EU (especially if you think about the recent problems in the Franco-German alliance)?**

- We are of course very happy to be friends with Germany / if Germany goes along with our proposals to deregulate there might of course be a greater perspective for co-operation

#### **3. What is your main criticism of the British government's European policy since 1997?**

- The government has put forward a pathetic agenda on European issues
- It does not fight for British interests and simply goes along far too much with the agenda of the Franco-German axis

#### **4. What would be the alternative approach of the Conservative Party?**

- The Conservative Party would negotiate from the British point of view and would make sure that British interests are safeguarded

#### **5. Are there any circumstances under which you can you ever see Britain joining the Euro? If not, what would be the alternatives?**

- No, I can't imagine any circumstances at all under which Britain would ever join the Euro

- We are an independent country and we simply want to keep control of our currency
- If there would be a chance to join NAFTA, it would of course be a good thing for

**6. How quickly, in your opinion, should the European Union enlarge eastwards?**

- The European Union should enlarge as quickly as possible
- Further reforms can be undertaken at the same time as new countries join, they don't have to be done before
- But: if you need reforms at all, then towards further deregulation of the EU
- The Nice summit has again missed the opportunity to prepare enlargement and to finally push it through

**7. Do you think that Germany's position in Europe has changed since German reunification? If yes, in what respect?**

- Germany is certainly more powerful than before
- It is one of the leading economic countries in Europe
- Nevertheless, I would not consider it to be the leading nation of Europe
- But one can already see Germany's increased power or status when one looks at the problems within the Franco-German alliance

## **Appendix 3**

### **Interview with David Whineray, Desk Officer, Enlargement section, Foreign & Commonwealth Office**

26 February 2001

**1. In his recent speech at the Polish stock exchange, the Prime Minister called for the EU to be developed into a "superpower not a superstate". I would therefore like to ask you what the government's priorities concerning the reform of the EU are.**

No answer, because this question does not fall into my area of responsibilities.

**2. Should these reforms be completed before any new members join or would the government rather think that they can be done in the course of enlargement, maybe even afterwards?  
Should there be another IGC on EU reform before the enlargement process begins?**

- There is no need for another IGC before enlargement because the EU is institutionally ready for enlargement after Nice
- There should be no more delays and one should not impose another set of artificial criteria upon the prospective new members
- The UK government is basically in favour of further reforms for the EU but it does not see any special needs to reform the EU regarding the enlargement process
- To undertake another set of structural reforms before enlargement would take too long
- The government generally is not against another IGC on reform but it would only agree to it if this would not slow down the process of quick enlargement
- Basically, the government does not see any urgent need for further reforms before enlargement, although it is likely that CAP will be reformed before new members join
- Further demands on the prospective members would be unfair, the EU rather has to show some flexibility by trying to adapt its post-Nice structures to a larger number of member states after enlargement
- Nevertheless, the UK has nothing against the continuation of the reform discussion as long as it does not affect the process of swift enlargement

### **3. How quickly should the EU enlarge in the government's opinion?**

- It should enlarge as quickly as possible but certainly in order to hold the 2004 elections for the European Parliament with new members
- The Nice summit has set out a roadmap for the conclusion of the accession negotiations with the most advanced applicants by 2002 – this target date should be met

### **4. Does the government think that all applicants for EU membership can join in one wave or does it support two or three waves of countries joining?**

- Each country should be allowed to join when it is ready to do so
- Countries will definitely join in blocks or waves
- There will be a certain differentiation with regard to the process of enlargement, e.g. for historical reasons, Germany will probably press for Poland to be one of the members to join the EU in an early first wave

### **5. Which countries should join first? Which ones should have to wait?**

- Some countries are of course more ready to join than others (e.g. Romania, Bulgaria)
- Because of its size, one important issue will be when Poland is ready to join, so the EU (especially Germany) is waiting for Poland to fulfill the accession criteria
- Greece will probably not agree to EU enlargement without Cyprus joining at an early stage

### **6. Where does Britain see the limit of EU enlargement? Should countries such as e.g. Turkey or even Russia become members one day if they wish to do so?**

- Turkey remains a principal candidate for EU membership
- There is no official government line on where EU enlargement should end or which countries should not belong to the EU
- The question is not on the agenda at present anyway because countries such as Russia have not applied for membership and will probably not do so in the future – if they would one would have treat them like any other candidate for accession
- The government does not share some EU members' principal concerns about a possible membership of countries such as Turkey

**7. Should there be any transitional arrangements for the new members, such as for example a transitional period of up to 10 years concerning the free movement of workers as it is discussed in Germany at present? German chancellor Schröder has demanded a transition arrangement of 7 years, the Bavarian Prime Minister Edmund Stoiber has even demanded 10 years.**

- This is an issue that is mainly for the candidates to decide by their own pace of transition ability
- The British government is not in favour of a transition period for the free movement of workers because this would lead to the development of a second class-membership status for the applicants
- Nevertheless, there will of course be transitional arrangements on certain issues simply because other EU member states will demand them
- If Schröder manages to get a transition period of 7 years concerning the free movement of workers, he will probably be able to neutralise the issue in a German election campaign

**8. In your personal opinion, what are the most profound challenges the EU faces with regards to the enlargement process?**

- The most profound challenges will be:
  - CAP
  - free movement of people
  - free movement of capital
  - the budget (who pays what in the future)
  - Justice and Home Affairs (especially immigration and border controls)
  - environmental issues
- Generally, anything that affects the EU's borders and its budget will be of importance

**9. The EU has been facing a leadership problem in the last couple of years: the Franco-German alliance is in trouble since the departure of Helmut Kohl and Francois Mitterand and so far no new alliances have emerged which could give the EU the necessary impetus.**

**Do you think Britain could take on a leading role in the European Union and if so which countries would be Britain's preferred partners in leadership?**

- The Franco-German axis will stay because the alternative of an Anglo-German axis is unlikely at present simply because Britain is not seen as being pro-European enough

- As long as Britain is not in EMU, it will not be able to realize its leadership ambitions
- The French would certainly oppose the formation of an Anglo-German alliance
- The Germans have the problem that although Fischer has proposed a federal vision for the EU in his Humboldt speech, Nice has shown that the EU is still very much an intergovernmental organisation
- The main problem for Europe now is that it is looking too much too itself – it cares more about institutions than about issues
- Another problem is that France opposes many things within the EU
- Germany will become the centre of an enlarged EU, which means that the Franco-German axis might be weakened further after enlargement
- A new generation of politicians governs Germany now
- After enlargement, there is a likely shift from French influence to growing German influence in the EU. The reason is that whereas the past enlargements of the Community southwards have strengthened French influence (southern countries are rather francophile), the future eastward enlargement will strengthen Germany because these countries have strong ties with the Germans

**10. Why does Britain want to become a leading player in Europe? Is it just in order to increase its own importance as a partner for the United States or is the British government really interested in positioning Britain at the heart of Europe?**

- The Prime Minister thinks that in a globalised world a country cannot afford to remain isolated
- He wants to encourage co-operation between Europe and the U.S. and therefore intends to maintain both the traditional ties with the U.S. but also wants to deepen Britain's commitment to Europe
- Every country tries to take care of its special relations, therefore nobody should blame Britain for trying to maintain its strong ties with the Americans
- He is genuinely pro-European in his beliefs

**11. When do you expect a final assessment of the 5 economic tests on British EMU participation?**

- Definitely within the first two years of the next parliament

**12. Should the government decide to promote Britain's entry into EMU, how will it try to convince the British public to vote "yes" in a referendum?**

- There is no definite plan but it may focus on the benefits, such as extra trade and costs for Britain if it stays out of EMU
- The government will also encourage the formation of an all-party alliance of pro-euro advocates

**13. Should the government come to the conclusion that it would be economically unwise to recommend EMU membership, what could be the alternatives? Would the government then go along with Tory proposals to seek membership of NAFTA?**

- Definitely not, a new assessment of the five tests at a later date would be possible
- Membership of the Eurozone and NAFTA is impossible as it goes against the regulations set out for EMU
- The government will encourage closer co-operation between the Community's single market and NAFTA
- A majority within the Tory party secretly wants Britain to leave the EU. They don't do so because they dislike other European countries but because they fear that within Europe they could not realise their right-wing free market economic policies. They rather go along with the American free market view of the economy and therefore advocate NAFTA membership as an alternative to the Eurozone.

**14. On defence: Do you think that the government can convince the U.S. to think over its plans for a missile defence system and then also convince the other European partners and Russia to take part in it?**

Can't answer.

**15. Could Britain ever agree to the development of the European Rapid Reaction force into a coherent Common Foreign and Security policy for the EU, provided close links with NATO are maintained?**

- Quite possible but only if the link with NATO is maintained.

**16. What will be the government's priorities with regard to European policy in a second term in office? Do you think its promise to push through a more radical agenda will also apply to its European policy?**

- The government will probably more radical in its European policy in a second term, especially regarding the Euro
- They have not done enough on the Euro yet but they will have to do so if they want to push forward any leadership ambitions within the EU
- Blair believes in EMU membership but has to act cautiously because of the sceptical domestic circumstances (especially the misinformation in the Murdoch-owned press e.g. The Sun, The Times)

**17. Finally, in your personal view, what were the main changes this administration has introduced with regards to European issues compared to the previous administration?**

- This government is genuinely pro-European
- It has clearly shown that it is ready to integrate further than the previous administration.
- One example was its readiness to take part in the European Defence Initiative. Blair wanted to do that because of his general pragmatic approach to Europe: the Balkan experience had shown that there was need for stronger European engagement on defence issues (especially if the U.S. would not be ready to become involved in future conflicts) and that is the reason why he did it
- Concerning euro membership, if there were no economic differences between the UK economy and those on the continent, the government would already have tried to lead Britain into EMU
- The government also was the main driving force behind the Lisbon agenda which set out the course for swift enlargement
- Blair gave the Warsaw speech after Chirac's and Fischer's speeches because he wants to have a say in Europe
- His European policy is based on pragmatism and on genuine pro-Europeanness
- He sees Europe as an interlinked entity in a globalised world

## Appendix 4

### Interview with Dr Ingo Friedrich MEP (CSU), Gunzenhausen, Germany

31 March 2001

**Beginnen würde ich gerne mit den Strukturen der europäischen Union. Vor allen Dingen mit der Reformdiskussion, die ja jetzt nach Nizza noch nicht beendet ist. Ich würde Sie gerne fragen, ob Sie der Ansicht sind, daß der EU-Gipfel in Nizza die notwendigen Voraussetzungen für die Reform der EU-Institutionen in Bezug auf die bevorstehende Osterweiterung gebracht hat?**

Die formellen Voraussetzungen was die Zahlenspiele betrifft, Zahl der Abgeordneten, Zahl der Kommissare, Mehrheitsentscheidungen, die formellen Aspekte sind in Nizza in der Tat erreicht worden. Insofern ist die europäische Union beitriffsreif, aber natürlich auf dem untersten Level, wie man es sich überhaupt vorstellen kann.

Zum Beispiel die Form der Mehrheitsentscheidungen neuer Art ist so kompliziert, daß es eher schwieriger werden wird Mehrheitsentscheidungen zu finden und die verhängnisvolle Tendenz, auch in Bereichen, in denen Mehrheitsentscheidungen ausreichen würden, das man eigentlich trotzdem auf die Einstimmigkeit schießt, diese Tendenz ist sicher immer noch nicht überwunden.

Also, insofern keine Begeisterung, aber es ist zumindestens so, daß der Gipfel von Nizza die notwendigen Dinge erreicht hat.

**Welche weiteren Reformschritte wären Ihrer Ansicht nach dennoch notwendig, um die EU wirklich handlungsfähig zu machen, falls neue Länder beitreten?**

Ich sehe da vor allem zwei Aspekte, nämlich die Lösung der Erleichterung der Mehrheitsfindung. Wir haben ja jetzt im neuen Verfahren mehr oder weniger drei Hürden aufgebaut, das sollte wieder reduziert werden auf eine Hürde, oder man kann sagen zwei Hürden, nämlich daß die Mehrheit der Staaten und die Mehrheit der Bevölkerung hinter einer Entscheidung steht. Dieses müßte ausreichen für die Findung einer Mehrheitsentscheidung.

Und der zweite Aspekt müßte eine bessere Lösung des Sprachenaspekts darstellen. Weil ohne eine Veränderung der Sprachenproblematik läuft die europäische Union Gefahr, daß eine Art babylonisches Sprachengewirr entsteht. Eine Entflechtung der Sprachenproblematik, oder konkreter zu sagen, eine Reduzierung der Sprachen in die alles übersetzt werden muß, diese Reduzierung scheint mir bitter notwendig und die ist natürlich noch nicht beschlossen worden.

### **Würden Sie dann fordern das Deutsch eine der Amtssprachen wird?**

Ja natürlich, das ist klar, das Deutsch nicht nur eine der Amtssprachen wird, sondern Arbeitssprache sein muß. Mit den an sich nun fast 120 Million Deutschsprechenden, das wäre ja absurd, wenn das anders wäre. Aber natürlich kann Deutsch nicht die alleinige zweite, dritte Sprache sein, sondern ich gehe mal davon aus, daß es sinnvoll wäre in der zukünftigen EG oder EU zwar alle schriftlichen Dokumente in alle Sprachen zu übersetzen, aber beim mündlichen Dolmetschen sich zu beschränken auf die Hälfte oder noch weniger. Ich könnte mir vorstellen, daß sechs Sprachen, in die alles übersetzt wird, ein Kompromiß ist, mit dem man leben kann.

### **Wenn man die Reformen insgesamt betrachtet, müssten die schon vor dem ersten Erweiterungsschritt beendet sein, könnte man die möglicherweise gleichzeitig durchführen, oder am Ende erst danach?**

Nein, es sollte natürlich angestrebt werden, daß schon bei der geplanten Nachfolge-Regierungskonferenz, die bisher ja für 2004 vorgesehen ist, ich möchte an sich, daß die auf 2003 vorgezogen wird, unter anderem auch wegen der Europawahl, die Mitte des Jahres 2004 stattfinden wird. Das also spätestens bei dieser Regierungskonferenz, die jetzt noch fehlenden Schritte, die ich jetzt skizziert habe, daß die dort beschlossen werden, damit sie dann, vielleicht noch nicht ratifiziert, aber schon beschlossen, noch vor dem Beitritt der ersten neuen Staaten Gültigkeit werden können.

Das heißt also, die Osterweiterung sollte Ihrer Ansicht nach schon begonnen haben, bevor die nächste Europawahl stattfindet?

Richtig.

### **Welche Länder würden Sie als geeignet ansehen, zu diesem Zeitpunkt schon der EU beizutreten?**

Jedes Land hat dabei den Marshallstab sozusagen selber in der Hand. Es ändern sich auch oft die Reihenfolgen. Eine zeitlang war Polen weiter hinten, jetzt ist es anscheinend nach den neuesten Daten wieder weiter vorn. Also ich rechne mal mit einer ersten Beitrittsmöglichkeit innerhalb der 12 Staaten, sozusagen mit vier, fünf, sechs Staaten im Jahre 2004. Das halte ich für verkraftbar bzw. die Frage ist nicht nur, ob es für die europäische Union verkraftbar ist, sondern die Frage ist, wieviel Staaten es schaffen, die Beitrittsfähigkeit der Staaten zu erreichen.

**Bundeskanzler Schröder hat sich ja bezüglich der wichtigen Frage der Freizügigkeit der Arbeitnehmer dafür ausgesprochen, eine Übergangsfrist von sieben Jahren festzusetzen. Peter Hintze, der europapolitische Sprecher hat dagegen nur drei Jahre gefordert. Mich würde interessieren, was Ihre persönliche Position, aber auch was die offizielle Position der CSU in dieser Frage ist.**

Es gibt keinen Beschluss zu diesem Thema, aber eine Feststellung im Parteivorstand der CSU, der nicht widersprochen wurde.

Da wurde auch von sieben Jahren gesprochen und sicher muß man in der heutigen Zeit der Ausdifferenzierung so ein bißchen diese sieben Jahre Übergangsfristen, was die Freizügigkeit betrifft versuchen, ein wenig aufzugliedern. Das ist vielleicht für Hi-Tech-Leute anders zu sehen, als für Bürger aus dem Bereich der Landwirtschaft, das ist für Hochschulkräfte anders zu sehen wie für Facharbeiter. Also, wir werden diese Übergangsfristen mit der Orientierung sieben Jahre praktisch länderspezifisch ein wenig genauer anschauen müssen und müssen uns da ein bißchen die Arbeit machen, klarer abzugrenzen, in kleineren Segmenten. Das ist keine zusätzliche Bürokratie, weil die Übergangsfristen ja ohnehin irgendwann auslaufen, das ist ein typisches, im Augenblick vielleicht komplett aussehendes Regelwerk, was aber an dieser Stelle die Komplexität durch Auslaufen automatisch verliert.

**Sollten auch in anderen Bereichen, z.B. bei der gemeinsamen Agrarpolitik oder auch bei den Strukturfonds Übergangsfristen festgesetzt werden, oder auch in anderen Bereichen?**

Ein eindeutiges ja, wir werden, ob es uns gefällt oder nicht, z.B. im Agrarbereich gar nicht darum herumkommen, daß wir eine zeitlang unterschiedliche Agrarförderungsmaßnahmen diskutieren werden müssen. Nehmen Sie das Thema Ausgleichszahlungen, wenn z.B. polnische oder tschechische Landwirte diesselben individuellen betriebsspezifischen Ausgleichszahlungen bekämen wie die Mittel- und Westeuropäischen Landwirte, dann würden diese Landwirte plötzlich zu den sehr gut oder sogar bestverdienensten Schichten dieser Länder zählen. Mit der Konsequenz, daß natürlich die Abwanderung aus der Landwirtschaft automatisch gestoppt wäre und wir die Strukturen, die auf Dauer völlig untragbar sind, nämlich, daß bis zu 27 und 30 Prozent der Erwerbstätigen in der Landwirtschaft tätig sind, das würde natürlich dann nie geändert werden, so daß wir auch in der Agrarpolitik und sicher auch in manchen Fällen der Strukturpolitik Übergangsfristen brauchen, bis sich die Dinge mehr angenähert haben. Umgekehrt wird sicher auch unvermeidbar sein, daß die beitretenden Länder in einigen Bereichen, sei es Umweltbereiche, sei es Kauf von Land, auch um gewisse Übergangsfristen nachsuchen müssen, also das Instrument der Übergangsfristen muß beiderseits der Grenzen und auch sehr flexibel angewendet werden und das hat nichts mit zweierlei Europa zu tun, nichts mit Klassenunterschieden, auf Dauer müssen identische Politikentscheidungen getroffen werden, aber Ungleiches muß auch ungleich behandelt werden, das ist ein alter Grundsatz, der sich aus dem deutschen Gleichheitssatz ergibt.

**Was sind Ihrer Ansicht nach insgesamt die drängensten Herausforderungen, die sich für die EU angesichts dieses Projektes stellen?**

Das drängenste ist, daß wir damit rechnen müssen, daß der wirtschaftliche Aufholungsprozess länger dauern wird, als wir alle gehofft haben. Das liegt zunächst einmal an der Dimension der Hilfen, die gegeben werden, wenn man die finanziellen Dimensionen vergleicht mit dem, was bei der früheren DDR gemacht worden ist, dann sieht man, daß das nur ein Bruchteil ist. Dementsprechend wird es auch länger dauern und sogar bei den immensen Hilfen für die neuen Länder Deutschlands hat es sehr lange gedauert und da dauert es auch jetzt noch an, d.h. wir werden uns vergegenwärtigen müssen, daß vieles länger dauert, bis es ein bestimmtes Niveau erreicht, d.h. der Schwachpunkt wird noch lange Jahr bleiben, daß die wirtschaftliche Entwicklung dramatisch noch lange Jahr sehr auseinanderklaffen wird.

**Ein besonderer Fall: die Türkei. Hier würde mich Ihre Einstellung interessieren, sollte die Türkei Ihrer Ansicht nach jemals eine realistische Chance bekommen, Mitgliedstaat der Europäischen Union zu werden und wenn ja, unter welchen Voraussetzungen?**

Also, man kann in der Politik nie 'nie' sagen. Deswegen kann man auch bei der Türkei nicht sagen, daß sie niemals Mitglied werden kann. Aber für alle absehbare, kalkulierbare Zeit sehe ich eine solche Chance nicht. Der Hauptgrund ist die Frage der Menschenrechte und ein Aspekt, der meines Erachtens bisher viel zu wenig berücksichtigt wird, daß auch durch die kulturelle Differenziertheit innerhalb der Türkei ein Beitritt der Türkei sogar zu einer Art Auseinanderdriften der Türkei selber führen könnte. Ein dritter Grund, der dafür spricht, daß es noch lange, lange Jahrzehnte brauchen wird, um so eine Möglichkeit überhaupt in Angriff zu nehmen, liegt darin, daß natürlich an der Türkei an die 50-60 Million türkisch sprechende verwandte Völker dranhängen, die natürlich dann auch kommen wollten und wo man natürlich gar keine echte Grenze ziehen könnte. Dann würde das alles nicht mehr kalkulierbar, ja nicht mehr regierbar.

**Sehen Sie auch hinsichtlich der Sicherheitslage Probleme, weil die Türkei ja auch an Länder grenzt, die die Sicherheit Europas nicht unbedingt stärken. Das ist ja auch ein Grund, daß die Amerikaner Interesse an der Mitgliedschaft der Türkei haben.**

Das würde ja eher für eine noch ehre Anbindung und Zusammenarbeit der Türkei sprechen, um die Sicherheitsaspekte zu berücksichtigen ist eine enge Zusammenarbeit mit der Türkei auf allen anderen Feldern, also nicht nur NATO, Westeuropäische Union, auch innerhalb des Europarates, bis hin zu bilateralen Abkommen zwischen der EU und der Türkei, bis hin zum Schengener Abkommen, alle anderen Formen der engen Zusammenarbeit sind anzustreben. Was auf Dauer sehr schwierig sein wird und was noch lange Jahre nicht geht, ist die Hereinnahme der Türkei in dieses feingliedrig austarierte System der Europäischen Union und ähnliche Problematiken würden entstehen, wenn man die Ukraine, Weißrußland, oder gar Rußland aufnehmen würde.

**Wo würden Sie die Grenze ziehen bezüglich der Erweiterung? Irgendwo muß es ja mal eine Grenze geben für die Erweiterung der EU.**

Es muß Prozesse geben, die eine enge Zusammenarbeit erlauben, aber die Grenze für die Grenze für die Integrierbarkeit sehe ich in der Ostgrenze Polens und der Ostgrenze Griechenlands.

**Nach Meinung vieler Experten hat der Nizza-Gipfel etwas gezeigt, was sich schon seit längerem angedeutet hat, das nämlich die deutsch-französische Achse, die ja die europäische Integration über Jahrzehnte angetrieben hat in große Schwierigkeiten geraten ist. Die EU ist deswegen im Moment praktisch führerlos, es formieren sich ständig neue Führungskonstellationen zwischen den Staaten, aber es fehlt ein permanentes Führungsduo. Stimmen sie dieser Ansicht zu und wenn ja, welche Alternativen würden Sie zur deutsch-französischen Kooperation in Zukunft sehen?**

Die Konstruktion der Europäischen Union muß so gemacht werden, daß sie auch ohne so ein Führungsduo nicht in eine krisenhafte Situation kommt und daß die weitere Entwicklung in einer natürlichen Form möglich bleibt, auch wenn so ein Duo nicht zur Verfügung steht. Ein solches Duo erleichtert sehr viel, deshalb wäre es sicher erstrebenswert, daß die beiden Kernländer Deutschland und Frankreich eine solche Funktion wahrnehmen könnten und weiterhin intensive Formen der Zusammenarbeit praktizieren und damit beispielhaft für die anderen wirken.

Wenn diese Achse wirklich mal ganz auseinanderbrechen würde, wäre dies schon sehr hinderlich für die weitere Entwicklung. Wir müssen aber trotzdem, durch bessere Vorbereitung der Regierungskonferenz 2004 versuchen, das auszutarieren, daß es ein solches Führungsduo im Augenblick nicht gibt. Das ist keine Katastrophe, es ist allerdings sehr hinderlich und das bestehen eines solchen Duos, oder auch Quartetts wäre sehr hilfreich.

Ich sehe keine Chance der Ablösung der deutsch-französischen Achse durch andere Achsen. Die sind alle weniger natürlich angelegt. Deutschland und Frankreich sind durch Geschichte und durch verschiedenste Aspekte so aneinander gebunden, daß sie die natürliche Führungsachse in Europa wären. Ich sehe eigentlich keine Chance, daß eine deutsch-englische, oder eine französisch-englische oder eine deutsch-italienische Zusammenarbeit dieselben Vorteile brächte, wie Deutschland und Frankreich.

Insofern muß man die führungslose Zeit durch entsprechende seriöse Politik der normalen Gremien überbrücken, in der Hoffnung, daß es wieder zu einer solchen Struktur kommt. Sollte es nicht dazu kommen, muß die Zusammenarbeit zwischen den existierenden Organen so intensiviert und professionalisiert werden, daß man dann auf Dauer auch ohne so eine Führungsachse auskommt.

**Warum denken Sie ist die deutsch-französische Achse überhaupt in solche Schwierigkeiten gekommen? Könnte es daran liegen, daß die beiden Länder seit der Wiedervereinigung Deutschlands eine andere Idee von Europa verfolgen?**

Ich denke der Hauptgrund ist darin zu sehen, daß sich die natürliche Rangordnung in Europa durch die Wiedervereinigung Deutschlands verändert hat. Vor der Wiedervereinigung war in keinsten Weise hinterfragt, wer die Nummer eins ist, eben Frankreich. Die Nummer 1 hat dann auch jede weitere Integrationsstufe akzeptieren können, weil in einem noch mehr integrierten und zusammenwachsenden Europa wiederum die Nummer 1 die Nummer 1 bleibt.

In dem Moment, wo sich die Nummer 1 ein Stück mehr Richtung Deutschland verlagert hat, ist es automatisch schwieriger für Franzosen, eine weitere Integration Europas zu akzeptieren, weil damit wieder automatisch die neue Nummer 1 auch die neue Nummer 1 innerhalb des integrierten Europas sein wird. Hinzu kommt sicher die schwierige persönliche Chemie zwischen den neuen Führern in Deutschland und Frankreich. Der Hauptgrund liegt in der Veränderung der Rangordnung durch das größere Deutschland und des Aussprechens des größeren Gewichtes.

**Finden Sie es richtig, daß die jetzige Bundesregierung verstärkt selbstbewußt auftritt?**

Es war unvermeidbar. Die veränderten Fakten müssen irgendwann akzeptiert werden und dadurch ändert sich auch die Politik. Trotzdem wäre jede Form von Arroganz unklug und vielleicht sogar gefährlich, in der Form muß die Diplomatie gewahrt werden, vor allem gegenüber Frankreich. Man muß gerade nach der Wiedervereinigung mit der Sprache vorsichtig agieren, aber dennoch sind die Fakten so, daß Deutschland aufgrund seines gewachsenen Gewichtes z.B. mehr Abgeordnete im Europäischen Parlament verlangen muß. Im Rat ist das nicht ganz so dramatisch, weil es da eine gestaffelte Stimmengewichtung gibt, obwohl man es auch dort an sich berücksichtigen hätte müssen.

**Glauben Sie, daß die Bundesrepublik ein enger Partner für Großbritannien im Bezug auf die Forderungen des britischen Premierministers nach der Reform der EU in Richtung 'a Europe of the people' werden könnte?**

Die EU könnte verschlankt werden und die Korridore der nationalen Bandbreiten vergrößern. Es ist aber unrealistisch zu erwarten, daß durch eine solche Verbreiterung der nationalen Bandbreiten Europa zu einem Europa der Völker werden würde. Auch dann gibt es bedingt durch die geographische Lage oft unterschiedliche Interessen, die gehen auch durch mehr Bandbreiten nicht weg.

Auch ein verschlanktes Europa wird nicht immer auf ein einhelliges positives Echo stoßen. Europa wird immer ein Stück Erklärungsbedarf haben, vor allem im Zeitalter der zunehmenden Globalisierung. Das Problem, daß manche Entscheidungen aus nationaler Sicht unpopulär sein werden, aus globaler Sicht aber notwendig sind, werden wir auch in den nächsten 50 Jahren nicht lösen können.

**Sehen Sie überhaupt irgendwelche Bereiche für eine Zusammenarbeit zwischen Deutschland und Großbritannien?**

Im Bereich der Sicherheit, im Bereich der Konzeption eines schlanken Europas. Es gibt schon Felder, wo Deutschland und England besser kooperieren können als Deutschland mit Frankreich. Auch bezüglich der Vereinigten Staaten, die Frankreich immer gerne von Europa abkoppeln würde. Das Gleiche im Bezug auf eine Verschlinkung Europas hin zu einer klaren Kompetenzbegrenzung und schließlich die Zusammenarbeit im Bereich Sicherheit, so daß eine gemeinsame Außen- und Sicherheitspolitik innerhalb der NATO wahrgenommen wird. Und schließlich noch im Bereich der Wirtschaft, wo es darum geht, das Deutschland und England die globale Wettbewerbsfähigkeit als einen wichtigen Faktor betrachten, während man in Frankreich vielleicht ein wenig darauf sich vom harten globalen Wettbewerb abpuffern zu können. Es gibt also durchaus Felder einer gemeinsamen Analyse, auch bei der gemeinsamen europäischen Währung.

**Ist das britische Streben nach einer Führungsrolle in der EU realistisch, vor allem im Bezug auf den noch immer nicht erfolgten Beitritt Großbritanniens zur Wirtschafts- und Währungsunion?**

Großbritannien hat natürlich das Image eines Blockierers, der am Rande steht. Ein Spagat zwischen der Blockierer-Rolle und der Teilnahme an der Führungsspitze ist sehr, sehr schwierig. In der EU ist es sehr schwierig gleichzeitig in der Lokomotive und im Bremserwagen zu sitzen. Solange dieser Spagat besteht, wird Großbritannien nicht zur Kernführungsgruppe der Europäischen Union zählen können. Solange aus England immer nur der Ruf nach Bremsen kommt, wird man einer solchen Mitgliedsstaat keine Führungsfunktion zutrauen.

**Würden die Chancen auf eine Führungsposition steigen, wenn es der britischen Regierung gelänge, die britische Bevölkerung davon zu überzeugen, an der Währungsunion teilzunehmen?**

Nur, wenn in dieser Frage Opposition und Regierung gemeinsam an einem Strang ziehen. Das Einziehen in das Führerhaus hängt nicht von einer der zentralen Fragen, der Währung ab. Ein mühsam zusammengeschnitztes 'ja' wird nicht ausreichen, um eine Führungsrolle einzunehmen. In ein paar Grundentscheidungen bezüglich Europa müssen Regierung und Opposition übereinstimmen, ansonsten bleibt ein negativer Beigeschmack für das Ansehen des gesamten Landes. Das Vertrauen zu einem solchen Land mit einer Führungsrolle haben diejenigen, die geführt werden sollen nur wenn Regierung und Opposition vergleichbare Signale senden, wie in vielen anderen europäischen Ländern.

**Wie beurteilen Sie die Veränderungen in Deutschlands Rolle in Europa seit der Wiedervereinigung. Teilen sie die Auffassung, daß Deutschland mittlerweile zur führenden Nation geworden ist?**

Schröder hat manchmal ein sehr robuste Sprache, die diesen Prozeß manchmal eher erschwert als erleichtert. Nicht alle unsere Nachbarn sind darüber begeistert, aber diese Rolle war unvermeidbar, wenn auch nicht angestrebt. Wenn man diese Rolle nicht wahrnehmen würde, wäre das auch eine Mißachtung der Nachbarn. Mit dieser Mittellage, der Zahl der Bürger und der Wirtschaft müssen wir diese führende Rolle annehmen und viele unserer Nachbarn haben dies als normal akzeptiert, wenn auch oft mit wenig Begeisterung. Die meisten Nachbarn akzeptieren diese Führungsrolle und sehen Deutschland als geleutert durch die Erfahrungen der Nazi-Zeit und trauen diesem geleuterten Deutschland zu, diese Führungsrolle in einer für die Nachbarn akzeptablen Form wahrzunehmen.

**Wie sollte sich Deutschland verhalten, um eventuellen Befürchtungen im Hinblick auf die Osterweiterung entgegenzuwirken?**

Ganze deutsche Politikergenerationen haben es in Fleisch und Blut verinnerlicht, daß man als führende Nation in Europa diese Rolle in einer sanften Form wahrnimmt. Die Deutschen sind durch ihre Geschichte gezwungen worden, eine sanfte Führungsmacht in Europa zu sein.

**Sehen Sie ein Problem in der wachsenden Skepsis der deutschen Bevölkerung gegenüber der beiden zentralen europapolitischen Projekte, Osterweiterung und der Währungsunion?**

Das Problem steckt vor allem im Tempo der Entwicklung. Bezüglich der Schaffung eines einheitlichen Deutschen Nationalstaates wurde schon 50 Jahre vorher diskutiert, bei der europäischen Einheit ist es gerade umgekehrt. Da läuft die Realität permanent dem Denken der Menschen vorher.

In dem Moment, wo sich der Euro als dauerhaft erweist, sehe ich sehr schnell eine Akzeptanz wachsen, vor allem wenn die die Menschen mit der Währung vertraut sind. Bezüglich der Osterweiterung existiert eine ständige Diskrepanz zwischen den Berichten über negative Auswirkungen und dem eigentlichen Projekt. Die Zustimmung zu Europa ist traditionell niedrig, deshalb gibt es immer extra Erklärungsbedarf. Deshalb kann nur die Zeit und die Erklärung die Wunden heilen und die Hoffnung, daß dann in 10-20 Jahren die Fakten durchdringen, nämlich daß die Europäische Union zur attraktivsten Wirtschaftszone der Welt gemacht wurde. Es gibt keine attraktivere Wirtschaftszone in der Welt und das ist nur durch die Zusammenarbeit erreicht worden. Man muß deshalb die Fakten klarmachen und die einzelnen Beispiele, bei denen sich die Unzufriedenheit der Bürger zeigt durch Erklärung abfangen.

**Teilt die CSU die Befürchtungen, daß die geplante europäische Eingreiftruppe den Zusammenhalt innerhalb der NATO gefährden könnte?**

Nein. Rein organisatorisch ist eine extra EU Struktur natürlich schwierig. Wir müssen deshalb akzeptieren, daß die Organisation der NATO durch einen europäischen Pfeiler schon schwieriger wird. Andererseits muß die Organisation die Realität widerspiegeln, deshalb müssen der europäische und der amerikanische Pfeiler unter dem NATO-Dach effizient zusammenarbeiten.

**Sollte man diese Eingreifstruppe zu einer eigenen europäischen Außen- und Sicherheitspolitik ausbauen, vor allem unter dem Gesichtspunkt der geringeren Bereitschaft der Amerikaner, sich bei Krisen in Europa zu engagieren?**

Eine Sicherheitspolitik ohne Rücksprache mit den Amerikanern würde ich als gefährlich erachten. Die Europäer wären deshalb gut beraten, sich bei Aktionen erst einmal bei den Amerikanern abzusichern. Die Amerikaner sind einerseits froh, daß diese halberwachsenen Europäer ihnen Aufgaben abnehmen, aber wenn sie beginnen, eigene Ideen zu entwickeln, sorgen sie sich, wohin das führen wird. Man muß das durch praktische Erfahrungen einspielen, die Vernetzung von Eigenständigkeit und Zusammenarbeit unter dem Schirm der NATO und mit den Amerikanern.

**Welches Modell halten sie für das Richtige für die Zukunft Europas?**

Die Formel ist klar: soviel Europa wie nötig und soviel nationale Differenzierung wie möglich. Es fehlt eine klare Rechtslehrauffassung zu diesem Problem, deshalb fehlt den Politikern die Orientierung. Verträge sollten natürlich immer durch die nationalen Parlament ratifiziert werden, jedoch muß die abgegebene Souveränität von den Nationalstaaten akzeptiert werden.

Die Nationalstaaten sollten die Herren der Vertragsänderung bleiben. Die Europäische Union bekommt jedoch immer mehr Zuständigkeiten und man muß die Entscheidung über weitere Zuständigkeitsverlagerungen von Fall zu Fall entscheiden. Keines der Modelle, das wir im Kopf haben, wird ausreichen, um zu erklären, was wir machen.

**Was halten Sie von Außenministers Fischers Modell eines gewählten Kommissionspräsidenten?**

Meines Erachtens nach sollte der Kommissionspräsident Europaparlamentarier sein, sollte auf den Listen bei den Europawahlen draufstehen. Die Europäischen Parteien sollten ihren Spitzenkandidaten benennen bei der nächsten Europawahl, von dem sie dann sagen, wenn wir die Chance dazu haben, kommt der in die Regierung bzw. die Kommission. Es wäre am besten, wenn die Europäische Volkspartei oder andere Parteien jeweils einen Kandidaten benennen würden. Insofern wäre der Kommissionspräsident dann schon mehr oder weniger direkt gewählt. Die Frage wäre, ob wir einen Staatspräsidenten brauchen.

Was wir als nächsten Schritt brauchen, wäre ein Verfassungsvertrag, der geändert werden kann, aber nur durch Ratifizierung in den Mitgliedstaaten. Weil die Europäische Union keinen Staatscharakter erhalten soll, sollten wir von Verfassungsvertrag und nicht von Verfassung sprechen. Er sollte drei Elemente beinhalten: Die Grundrechtecharta, die Kompetenzabgrenzung und eine Kurzfassung der bisherigen Vertragsgebilde.

**Welche Kritik haben Sie an der Europapolitik der rot-grünen Bundesregierung und was würde eine Unionsgeführte Regierung ändern?**

Die Regierung verwendet zuwenig Herblut, der grundlegende Wertebezug früherer Regierungen ist einer pragmatischen Einstellung gewichen und ich befürchte, daß das auf die Dauer nicht ausreicht. Ein großer Fehler war das Nachgeben gegenüber Frankreich bezüglich der Reform der Agrarpolitik. Man könnte sich auch ein wenig mehr an Anstrengung aus Berlin erwarten, die deutsch-französische Beziehung wieder wichtiger zu nehmen und trotzdem mit England eine Art Dreieck zu bilden. England wäre eigentlich die natürliche dritte Macht im Bundes, es liegt nur an der genannten Problematik. Das anzustrebende wäre natürlich eine Art sanfte Dreierbeziehung und das fehlt mir bei der Regierung.

## Appendix 5

### Interview with Dr Gerhard Schmid MEP (SPD), Regensburg, Germany

18 June 2001

**Wie beurteilen Sie die Ergebnisse des EU-Gipfels von Nizza, sind Ihrer Ansicht nach die notwendigen Reformen, vor allem bezüglich der Osterweiterung, wenn neue Mitglieder in die EU kommen, beschlossen worden, auch bezüglich der Institutionen und natürlich der Entscheidungsverfahren, oder sehen Sie noch Nachbesserungsbedarf irgendwo?**

In Nizza sind die Staats- und Regierungschefs eindeutig zu kurz gesprungen. Was da beschlossen worden ist, reicht nicht. Das sehen die Staats- und Regierungschefs selbst ja auch so, sonst hätten sie nicht gesagt, man bräuchte einen Post-Nizza-Prozess. Den braucht man ja nur, weil man eben nicht fertig geworden ist.

Meine Hauptkritikpunkte sind: Es ist nur das Minimum gemacht worden, bei der Besetzung der Kommission hat man lediglich gesagt, die großen Staaten sollen nicht mehr zwei haben, sondern nur noch einen. Aber die eigentliche Frage, ob mit zunehmender Zahl von Mitgliedstaaten jeder einen Kommissar haben muß oder nicht, der ist man ausgewichen und hat das verschoben auf die Zeit nach der ersten Erweiterungsrunde. Wenn irgendjemand meint, das die Neudazugekommenen, wie z.B. Polen auf einen Kommissar verzichten werden, dann irrt man sich. Also, was die 15 jetzt nicht gelöst haben ist mit 20 nicht leichter zu lösen. Das gleiche gilt für die Bereiche, die in der Uebereinstimmigkeit verblieben sind. Je mehr Teilnehmer es an einem Entscheidungsprozess gibt, der einstimmig ist, desto geringer ist die Wahrscheinlichkeit, daß man die Einstimmigkeit bekommt. Auch da ist es mit 20 schwieriger als mit 15.

Und drittens, ich glaube, daß gerade bei den Beitrittsstaaten eine Europäische Union, die wenn sie bei sich selber einen Beitrittsantrag stellen müßte, nicht aufgenommen würde, weil die demokratischen Strukturen nicht stimmen. Das die Akzeptanz für sowas gerade bei den neuen Staaten mit ihrer Vorerfahrung kommunistischer Diktaturen etwas sehr problematisches ist. Es gilt nach wie vor der Schritt, daß fast alles nach dem Prinzip der Mitentscheidung geht und daß nur ganz wenige, die dann in der Einstimmigkeit verbleiben können, tatsächlich ohne Beteiligung des Parlamentes stattfinden. Zu diesen Bereichen zählt leider Gottes auch Agrar, da entscheidet der Ministerrat alleine, das Parlament hat nur beratende Funktion, das kann auch nicht gutgehen.

**Sie sind also der Meinung, man hätte das längst vorher machen sollen. Es herrscht ja jetzt die allgemeine Meinung vor, daß man das im Zuge der Erweiterung machen könnte, sie haben es ja schon angesprochen. Sind Sie der Meinung, daß das noch funktionieren kann?**

Es wird nur schwieriger mit mehreren.

Es ist ja im Augenblick eine allgemeine Debatte unter den Mitgliedstaaten über die zukünftige Gestalt der EU im Gange. Der britische Premierminister Blair hat zum Beispiel gefordert, daß die EU nicht zum "Superstaat" werden dürfe, aber eine "Supermacht" werden könne, wenn sie sich weiterentwickelt. Die Franzosen fordern weiterhin die Erhaltung des Nationalstaates, obwohl sie für die Vertiefung eintreten. Und die SPD hat in ihrem Leitantrag zur Europapolitik ja eine eher föderale Vision für die EU entworfen, was bei den Franzosen, aber auch bei den Briten auf wenig Gegenliebe gestoßen ist, wenn auch aus unterschiedlichen Gründen.

**Ich würde Sie gerne Fragen, ob Sie denken, daß die SPD in diesem Entwurf etwas zu weit gegangen ist, vor allem wenn man an eher europaskeptische Staaten wie Großbritannien denkt, die aber unter der neuen Regierung Blair doch europafreundlicher sind und anstreben, in eine Führungsposition in Europa einzutreten.**

Das Problem ist im Grund ganz einfach: Wenn man sich dafür entscheidet, daß man einen Teil der eigenen Souveränität aufgibt und gemeinsam mit anderen anpackt. Die EU ist ja nichts anderes als der Vorrang, das Mitgliedstaaten freiwillig ein Teil ihrer Souveränität abgeben und gemeinsam mit anderen anpacken. Wenn man das tut, dann darf man es nicht so tun, daß es praktisch nicht funktioniert, also, wenn, dann muß übertragen werden. Ich kann mir eher vorstellen, daß Bereiche, für die die EU zuständig ist, wieder rückverlagert werden. Aber das, was auf die europäische Ebene kommt, das gehört demokratisiert und da muß dann klar sein, daß dort entschieden wird, ohne wenn und aber. Sonst wird das auf die Dauer scheitern.

Die Probleme, die es da bei Großbritannien und Frankreich gibt, sind teilweise semantischer Art. Das Wort Föderalismus hat im Englischen ja eine ganz andere Bedeutung, das meint den Zentralstaat. Da niemand im Kopf hat, der ernsthaft an der europapolitischen Debatte beteiligt ist, die Nationalstaaten abschaffen zu wollen, wir werden sie noch lange brauchen, geht es eigentlich nur um die Frage, wenn man ein Stück Europa macht, macht man es konsequent oder nicht? Es geht nicht um die Frage europäischer Zentralstaat versus Nationalstaaten, die dann nichts mehr zu sagen haben, sondern es geht um eine sauber vereinbarte Arbeits- und Zuständigkeitsverteilung.

**Aber denken Sie nicht, daß, weil man eben weiß, daß das Wort Föderalismus z.B. in Großbritannien einen negativen Beigeschmack hat, man vorsichtiger sein müßte bei der Formulierung der Thesen. Denn wenn man die Reaktionen betrachtet, die waren ja wie immer sehr hysterisch. Es wurde sogar mal wieder vom "Dritten Reich" gesprochen. Es ist dann hilfreich, die Debatte, die in Großbritannien im Moment darum geht, sollen wir uns Europa annähern oder sollen wir weiterhin unseren alten skeptischen Weg gehen, so zu unterstützen?**

Man kommt ja gar nicht darum herum, wenn man ein bestimmtes Bild, wie Europa gebaut werden soll, im Kopf hat, daß man das sauber aufschreibt. Die britische Presse wird auf alles und jedes, was man aufschreibt, so reagieren, überreagieren, weil sie die Funktion einer normalen Presse, jedenfalls teilweise, längst verloren hat.

Und was ein britischer konservativer Abgeordneter vor der Wahl sagt, nehme ich auch nicht ernst. Im Grunde muß man es sich so vorstellen: Europa ist ja nicht deshalb gemacht worden, weil die Nationalstaaten es lieben, daß man einen Teil der Souveränität abgibt. Europa ist geboren worden aus der Notwendigkeit heraus, daß man bestimmte Dinge miteinander tun muß, weil man sonst in einer sich globalisierenden Welt sich nicht mehr durchsetzen kann. Der Ursprung war ein anderer, der Ursprung war, die Deutschen einzubinden und unter Kontrolle zu halten. Das hat sich längst gewandelt, heute stehen wir vor der Frage, tun wir uns zusammen, oder werden wir passives Material der Geschichte.

Dieses Übertragen von Souveränität ist immer dann vorgenommen worden, wenn die Probleme auf der Welt so gestaltet waren, daß man allein sie nicht mehr ordentlich hat lösen können. Wir hätten die europäische Währung schon vor 15 Jahren einführen können, das es jetzt kommt, hat etwas zu tun mit der weltwirtschaftlichen Entwicklung auf dem Finanzmarkt und mit der Globalisierung der Wirtschaft. Ähnliches gilt für das Vorhaben der gemeinsamen Außen- und Sicherheitspolitik. Und irgendwann wird man auch den Widerspruch lösen müssen, daß man immer mehr an Zuständigkeiten nach Europa überträgt, aber gleichzeitig so tut, als würde dort nun nichts stattfinden und man müßte es auch nicht demokratisieren. Also, irgendwo ist ein Punkt erreicht, wo die Menschen das auch nicht mehr mitmachen. Von daher kann man das erwarten. Das hat nichts mit Befindlichkeiten von Politikern oder von einzelnen Leuten zu tun.

**Es zeigt sich ja insgesamt, in ganz Europa, wenn man die Umfragen betrachtet, eine zunehmende Ablehnung vor allem der Großprojekte. Z.B. gibt es ja jetzt in Deutschland leider eine Mehrheit, die gegen die EU-Ostweiterung ist. Und auch gegenüber der Währungsunion ist die Einstellung ja auch nicht gerade sehr positiv. Wie könnte man den Ihrer Ansicht nach dieser anti-europäischen Tendenz entgegenwirken, durch welche konkreten Schritte der Demokratisierung der Strukturen?**

Also, bleiben wir mal bei den Sachthemen. Es ist nicht so, daß die Menschen gegen die Osterweiterung sind. Es ist so, daß sie Angst davor haben. Und wenn man ihnen nicht plausibel macht, wie die damit verbundenen Probleme ordentlich gelöst werden können. Gegen das Vorhaben, daß man die aus Mittel- und Osteuropa in die EU nimmt, gibt es emotional keinerlei Vorbehalte, anders als bei der Türkei.

Aber es gibt die Frage, was passiert mit meinem Arbeitsplatz, was ist wenn Handwerker hier billiger anbieten, was wird mit meinem Handwerksbetrieb. Und meine Erfahrung ist, wenn man das ordentlich anbietet und Lösungen aufzeigt, dann gibt's kein Problem damit.

Beim Euro haben wir die Schwierigkeit, daß die meisten Menschen Geld haben, aber sie nichts davon wissen, wie Geld funktioniert. Die Stabilität einer Währung ist für viele Leute etwas gewesen, was mit Glauben zu tun hat.

Jacques Delors hat einmal gesagt, nicht alle Deutschen glauben an Gott, aber alle Deutschen glauben an die Bundesbank.

Und diesen Skeptizismus werden wir, weil nicht jeder lernt, was die Rolle einer Zentralbank ist und wie man Geld stabil halten kann, werden wir bis zur Einführung von Scheinen einfach nicht loswerden. Wenn sie jetzt hinsehen, das ist eine beinhardt stabile Währung mit Inflationsraten von zwischen 1 und 2,5 %, das hatte man zu besten Zeiten der Markt. Aber das wird man mit nichts auf der Welt loskriegen, Werbekampagnen hin oder her, da muß man auf den 1. Januar warten, dann werden die Menschen feststellen, daß das eben keine Währungsreform ist und daß es keine höheren Inflationsraten gibt. Und irgendwann wird man auch begreifen, daß das Außenverhältnis zum Dollar nichts ist, was die Binnenkraft (*inaudible*). Das kann man nur aussitzen.

Jetzt zu Ihrer Frage, was kann man denn tun. Solange die Regierungen und die Mitglieder nationaler Parlamente durch die Welt laufen und den Menschen erzählen, sie sind die eigentlich Entscheidenden, solange kann man ein Projekt wie die europäische Union nicht rechtfertigen. Die Wahrheit ist, kein Staat auf der Welt, auch so ein großer wie Deutschland nicht, wird mit seinen Problemen alleine fertig. Solange das nicht zugegeben wird, solange, das ist gerade in Deutschland die Debatte, es so aussieht, als wäre Europa ein Gefallen, den wir anderen tun, so nach dem Motto: wir könnten es eigentlich alles alleine, aber um den lieben Friedens Willen machen wir diese Veranstaltung mit. Solange das so ist, daß die eigene nationale Politik nicht klar macht, wo der Mehrwert ist von Europa, solange werden wir keine Zustimmung kriegen. Und das muß von der nationalen Politik ausgehen, weil wir sonst von europäischen Politikern gesagt wird: 'na ja, das müssen die', als Selbstrechtfertigung der eigenen Existenz.

Auch da landen wir wieder dabei, daß mit zunehmender Europäisierung, wenn das nicht stattfindet, eine weitere Europäisierung nicht mehr möglich ist, weil die Menschen es nicht mehr mitmachen.

**Wie könnte man es denn institutionell verbessern, welche Aenderungen wären notwendig?**

Also, das eine ist, Demokratisierung dadurch, daß man mit ganz wenigen Entscheidungen, die dann in der Einstimmigkeit verbleiben, alles der Mehrheitsentscheidung im Rat unterwirft und das es auch ein Mitentscheidungsverfahren gibt. Also ein Gesetz braucht eine Mehrheit der Staaten im Rat und eine Mehrheit der Vertreter im Parlament, bei den Vertretern des Volkes.

Zweitens: Oeffentliche Ratssitzungen. Es gibt kein Parlament auf der Welt, das geheim tagt, so etwas gab es nur früher in der Sowjetunion. Der Rat ist aber eben nicht nur eine Veranstaltung von Ministern, sondern ist Teil der Gesetzgebungsmaschinerie. Das gibt es nirgends, das so etwas nicht öffentlich tagt. Also, wenn der Rat als Gesetzgebung tagt, müßte er öffentlich tagen.

### **Sollte das Parlament dabei volle Gesetzgebungskompetenzen bekommen?**

Das amerikanische Parlament ist weiß Gott ein richtiges Parlament und da ist es auch so, daß die eine Mehrheit für ein Gesetz im "House of Representatives" haben müssen und im Senat. Solange wir noch Nationalstaaten haben und keinen europäischen Zentralstaat und das wird noch lange so sein, glaube ich nicht, daß es irgendeine funktionierende Konstitution gibt, die nicht einrechnet, daß beide Teile der Gesetzgebung gleichberechtigt nebeneinander stehen. Das ist auch nicht ein Parlament minderer Qualität.

### **Viele sehen dennoch die Stärkung des Europaparlamentes als Allheilmittel.**

Es gibt eine doppelte Debatte. Die einen sagen, es soll so werden, daß das Parlament den Rat überstimmen kann, das kann ich mir vorstellen für eine Zeit, in der ich nicht mehr in der Politik sein werde. Im Augenblick ist das unvorstellbar. Aber Mitentscheidung würde natürlich völlig reichen. Wie gesagt, eine Demokratie wie Amerika hat genau dieses System. Da kann man nicht sagen, daß sei unparlamentarisch oder undemokratisch, oder nur ein halbes Parlament. Das ist nicht so. Der viel größere Streitpunkt, wir haben es ja in wichtigen Teilen der Gesetzgebung jetzt schon so, Wirtschaftsgesetzgebung, Umweltschutz, es geht eher darum, daß es auf Bereiche ausgedehnt wird, wo es jetzt noch nicht nach dem Verfahren der Mitentscheidung geht. Beispiel Agrarbereich. Beispiel die Strukturfonds. Da muß das Parlament zustimmen, muß der Rat zustimmen und zwar einstimmig, dann kommen solche faulen Kompromisse heraus wie beim Gipfel in Berlin, wo sie keine gründliche Agrarreform hinkriegen und keine ordentliche Reform der Strukturfonds, weil irgendeiner immer 'nein' sagt und sich das dann irgendwie abhandeln muß.

Also das eigentliche ist Mehrheitsentscheidung. Und zwar Mehrheitsentscheidung ausgedehnt auf alle Gegenstände, ich würde ein paar Ausnahmen machen. Das eine ist Steuern, oder sagen wir mal die Höhe des Geldbeitrages, den die Staaten an die EU abgeben müssen. Es muß eine Versicherung geben, daß nicht eine Mehrheit von Armen sagt, jetzt reichern wir die Solidarmechanismen in der EU so an, daß es uns richtig gut geht. Also bei der Frage, wieviel Prozent des Bruttoinlandsproduktes kann der EU-Haushalt sein, das würde ich immer einstimmig regeln. Das andere sind Entscheidungen über Krieg und Frieden, aber das war es dann eigentlich schon.

Wobei, wie gesagt, wenn es um die Frage geht, daß die EU als EU sich an irgendwelchen militärischen Uebungen beteiligt, dann hätte ich es auch gerne als Mitentscheidungsverfahren, so daß die Volksvertretung 'nein' sagen kann, als man darf keine Soldaten schicken. Aber umgekehrt muß man natürlich auch sagen, daß muß im Rat dann auch einstimmig gehen, mit der Möglichkeit des 'opting out', daß ein Staat sagt, 'gut, ich widersetze mich dem nicht, aber ich schicke meine Jungs nicht hin'. Sowas Sensibles, Krieg oder Frieden, da kann ich's verstehen.

Und Beitritte vielleicht, Beitritte und, sagen wir mal, Änderungen des Vertrags. Aber das war's dann. Dann kriegen Sie vernünftige Entscheidungsgeschwindigkeiten, dann kriegen Sie soviel politischen Druck auf die, die das entscheiden. Daß das Agrarsystem so ist, wie wir es jetzt haben, hängt damit zusammen, daß es nicht an einer parlamentarischen Mehrheit, sondern an einer Mehrheit im Rat liegt.

**Aber es ist liegt ja auch am Widerstand der Franzosen.**

Das ist genau der Punkt. Und sowas müssen sie halt glatt überstimmen koennen.

**Dann kommen wir gleich zum nächsten Punkt: Die deutsch-französische Zusammenarbeit. Viele Experten sprechen ja jetzt nicht nur von einer Verschlechterung der Zusammenarbeit, sondern sogar vom Zusammenbruch der deutsch-französischen Achse, die ja bisher die EU vorangetrieben und dominiert hat. Koennen Sie sich vorstellen, dass es nach Nizza jetzt zu neuen, kurzfristigen Fuehrungsallianzen unter den Mitgliedstaaten kommt, die aber auch mehr sachbezogen sind, wie z.B. im Bereich Agrarpolitik zwischen Deutschland und Großbritannien, im Bereich Verteidigungspolitik zwischen den Franzosen und den Briten, Deutschland und Spanien in der Wirtschaftspolitik?**

Das haben wir ja schon. Die Frage der gemeinsamen Außen- und Sicherheitspolitik ist ja schon in der Hand von den Franzosen und den Briten, nicht von den Deutschen. Also, das ist nichts Neues.

**Aber teilen Sie die Auffassung, dass die deutsch-französische Achse praktisch beendet ist?**

Das kann man so nicht sagen. Die Deutschen haben die Franzosen immer gebraucht, weil sie nie als die großen Starken in Europa auftreten durften. Und die Deutschen haben die Franzosen immer gebraucht wegen ihrer ökonomischen Stärke. Also, es ist ein Verhältnis, daß nicht auf einem Liebesverhältnis gründet. Dazu kommt, daß gerade wenn man in einer Zweckehe ist, spielen bestimmt Dinge z.B. ob das Führungspersonal miteinander kann oder nicht, eine relativ wichtige Rolle.

Da hatten wir unhistorisch oft Glück, zweimal. Der Helmut Schmidt konnte mit dem Giscard d'Estaing ausgezeichnet, obwohl der von der anderen Seite war und der Kohl mit dem Mitterand. Und jetzt der Schöder, kann weder mit dem Präsidenten, noch mit dem Ministerpräsidenten besonders. Das sind auch Mentalitäts- und Naturellgeschichten.

**Aber glauben Sie nicht auch, daß ein Grund für die momentanen Schwierigkeiten ist, daß die Franzosen sich mit dem gewachsenen Gewicht Deutschlands sehr schwer tun?**

Ja, das spielt auch eine Rolle. Es gibt einige, die glauben, es sei so. Letztendlich ist es auch wahrscheinlich so. Ich würde nur jedem raten, sich genauso zu verhalten, wie in der Vergangenheit auch. Wir sind nach wie vor in einer Mittellage in Europa, wir haben ein paar mal im letzten Jahrhundert und in diesem Jahrhundert die Situation gehabt, daß der Rest Europas sich gegen uns verbündet hat.

Das ist immer zum Schaden unseres Landes gewesen. Und das Dümme, was Deutsche tun können und das Schlimmste, was uns passieren kann, ist, wenn das nochmal kommt. Man muß ja nicht in Sack und Asche gehen, aber normal sein. Die Deutschen müssen begreifen, daß es unser eigenes Interesse ist.

**Würden Sie dann auch das anfängliche Auftreten von Schröder eher kritisch sehen, wo er eher selbstbewußter war als es bisher der Fall war in der deutschen Europapolitik?**

Ich denke mal, das hat gar nichts mit der veränderten Rolle Deutschlands zu tun. Wir haben seit 1990 die Einheit, Schröder ist gerade mal zweieinhalb Jahre im Amt. Das wäre unter Kohl auch möglich gewesen. Das ist ein Mentalitätsunterschied. Das eine ist, der Kohl hat eine systematische Scheckbuchpolitik betrieben, das heißt, er hat Probleme auf diese Weise gelöst, daß er gesagt hat, dann zahlen wir halt mal.

Das geht angesichts der Verschuldung, in der wir stecken nicht. Und eine wachsende Staatsverschuldung geht auch nicht, weil wir den Stabilitätspakt unterschrieben haben. Deshalb war es relativ konsequent, daß der Schröder ziemlich deutlich gemacht hat, es ist jetzt Schluß mit dieser Scheckbuchpolitik. Das ist das eine. Das andere, es ist auch ein wenig ein Mentalitätsunterschied. Der Kohl hat systematisch auf die Zusammenarbeit mit den Franzosen gesetzt.

Schröder ist nicht frankophil, auch nicht anglophil. Die Zuneigung zu der Zusammenarbeit mit den Franzosen hat er an dieser Stelle nicht. Das macht sich dann auch ein wenig bemerkbar.

**Vermehrte Zusammenarbeit Deutschland-Großbritannien, wie würden Sie das beurteilen, gibt es Chancen dafür in bestimmten Bereichen, vor allem, wie würden sich die Chancen verändern, wenn die Blair-Regierung es schafft, die Briten in die Währungsunion zu führen?**

Es gibt einen bekannten Witz: 'fog in the channel, the continent is isolated'. Das bestimmt bis heute das Verhältnis zum Vereinigten Königreich. Letztendlich ist es so, daß Großbritannien einen Fuß in Europa hat und den anderen auf der anderen Seite des Atlantik. Das wird es immer schwierig machen, mit diesem Land europäisch zusammenzuarbeiten.

Das zweite ist der Mentalitätsunterschied. Es gibt zwei europäische Staatengruppen, bei denen die Mehrheit der Bevölkerung immer noch glaubt, sie gehörten zur Gruppe der Weltmächte. Sowohl wie Frankreich seit der verlorenen Schlacht von Vichy keine Weltmacht mehr ist und Großbritannien seit dem zweiten Weltkrieg keine Weltmacht mehr ist. Nach dem zweiten Weltkrieg haben die Amerikaner die Briten systematisch gestärkt. Das britische Selbstverständnis ist aber immer noch, sie seien eine Groß- und eine Weltmacht. Britannia rules the world.

Und solange es in Großbritannien bei der Mehrheit der Bevölkerung so ist, und es ist so meiner Beobachtung nach, wird sich jede britische Regierung, so sehr sie vielleicht selber die Einsicht haben könnte, daß es im besten Interesse des Landes wäre, daß man bestimmte Dinge europäisch macht, daran halten.

Die Franzosen gehen mit diesem Konflikt anders um. Die erzählen ihrer Bevölkerung nach wie vor, sie seien die 'grand nation' und leisten sich sowas wie ihre Mittelstreckenraketen, die genau bis zur deutschen Grenze gereicht haben und in die DDR hinein. Aber das ist das, wie man nach außen operiert.

**Wie hat sich nach Ihrer Ansicht generell das Gewicht Deutschlands nach der Wiedervereinigung verändert? Ist Deutschland schon zum führenden Staat in Europa geworden, wie es manche Analytiker behaupten, oder sehen Sie es eher im wirtschaftlichen Bereich?**

Es ist so, daß Deutschland durch die Einheit ökonomisch schwächer geworden ist. Das wird noch Jahre dauern, bis das aufgeholt ist. Das hat durch die 2+4-Verträge formal ein Stück mehr Souveränität bekommen, weil das Land nicht mehr geteilt ist. Das war ja immer eine Achillesferse der deutschen Politik. Aber das für die Deutschen die Bäume in den Himmel wachsen, das ist auch nicht der Fall.

Es ist auch logisch, weil die Europäische Union ist keine hegemoniale Veranstaltung. Das ist eine Veranstaltung auf gegenseitigem Nutzen, die nur funktionieren kann, wenn es auf gegenseitigem Nutzen weiter beruht und wenn die Großen die Kleinen nicht fressen. Eine Europäische Union, in der für die Kleinen kein Platz ist, in der sie nichts zu sagen haben, nichts zu entscheiden, geht nicht. Das ist kein Kolonialreich. Schon deshalb wird, auch wenn Deutschland jetzt größer ist, wirtschaftlich stärker wird es immer sein, wird das nicht dazu führen, daß sich die Grundstrukturen in Europa ändern.

**Also keine deutsche Führungsrolle?**

Eine Führungsrolle kann man in Europa intellektuell haben, indem man vorangeht, indem man Vorschläge macht. Eine Führungsrolle, so wie es die Vereinigten Staaten von Amerika für die ganze Welt anstreben, wer sowas für Europa als Mitgliedstaat der EU beansprucht, muß damit scheitern.

Die Mechanismen sind anders. Sie haben ein Analogon in den Vereinigten Staaten von Amerika, da gibt es einen Bundesstaat. Aber in diesem Bundesstaat haben die großen und die kleinen Staaten die gleichen Stimmen. Jeder Staat hat zwei Stimmen, zwei Senatoren. Ob es ein Riesenstaat oder ein Zwergstaat ist, alle haben zwei Stimmen. Das hängt von der Gleichberechtigung der Staaten ab. Und wir haben es zwar nicht so krass bei dem Gewicht der Stimmen, aber wir geben den Kleinen natürlich mehr Rechte, als sie ihrer Größe nach haben würden.

Das tun wir, weil es nicht anders geht und weil man sowas in Europa nicht anders machen kann. Also von daher, wenn, dann kann es nur um geistige Führerschaft gehen. Ich glaube, da muß man abwarten, was sich entwickelt. Nicht jeder Kirchturm, der sich der Weltpolitik widmet, wird auch ein Leuchtturm.

**Nun konkret zur Osterweiterung: Wo bestehen Ihrer Ansicht nach die Hauptschwierigkeit in dem Prozess der Heranführung der osteuropäischen Staaten an die EU?**

Wenn man das vernünftig vorbereitet und sauber macht, dann gibt es wenig Probleme, die man nicht lösen kann. Wenn man also festlegt, daß es Beitritte nur geben wird, wenn die notwendigen Reformen, sowohl innerhalb der EU, als auch in den Beitrittsstaaten abgeschlossen sind. Und wenn man die Tatbestände aus dem aquis communautaire, für die man Übergangsfristen gewähren will, wenn man die auf die Fälle begrenzt, wo man das ohne Schaden tun kann, dann sieht die Sache schon anders aus.

Um ein Beispiel zu geben. Im Umweltschutzbereich ist es wegen der technischen Laufzeiten und der Kosten ist es wegen der Kosten der Nachrüstung der Beitrittsstaaten so, daß die das in nächster Zeit nicht können. Das stört weder die gesamte Europäische Union, noch den Binnenmarkt, wenn die Entschwefelung und Entstickung nicht sofort so ist, wie wir das in der EU vorschreiben.

Und umgekehrt, was wir wollen, diese Siebenjahresfrist, damit wir den Zugang zu den Arbeitsmärkten noch kontrollieren können, auch das geht, ohne daß der Binnenmarkt auseinanderbricht. Wenn man jetzt aber, weil man einen bestimmten Zeitplan im Kopf hat, wieder anfangen würde, Übergangsfristen in Bereichen zu gewähren, wo es zu zentralen Störungen des Binnenmarktes kommt, dann wird es schwierig.

**Also, Sie wollen keine anderen Übergangsfristen für die Beitrittskandidaten?**

Es gibt auch andere. Aber wo es zum Beispiel nicht geht, ist beim Lebensmittelrecht. Die Sekunde, wo ein Staat Mitglied der Europäischen Union ist, darf er seine Produkte ohne wenn und aber reinliefern. Und wenn dann Sorten aus Polen in Regensburg im Regal stehen, dann muß ich als Bürger, der kauft, sicher sein, daß das europäische Lebensmittelrecht eingehalten ist. Und wenn's noch nicht umgesetzt ist, dann geht's halt nicht. Oder ein anderes Beispiel aus dem Bankenbereich. Es gibt eine Mindestreserve, die die Bank halten muß, für einen Kredit. Wenn das nicht umgesetzt ist, wandert das Kreditgeschäft in der EU über Nacht ab. Also Tatbestände, die was mit dem Binnenmarkt zu tun haben. Oder mit Gesundheitsschutz, Veterinärrecht, Pflanzenschutz, usw.

Das muß beigebracht sein, weil man sonst keinen europäischen Binnenmarkt hat. Das geht nicht anders. Auch die Landwirtschaft, das ist das gleiche. Während in anderen Bereichen, oder bei der Statistik, das macht zwar die geringsten Probleme, das ist ein Kapitel, daß mit allen Staaten abgeschlossen ist. Aber wenn Sie nicht eine gemeinsame Grundlage für Statistik haben, können Sie nicht zählen, können Sie keine Statistik in der Landwirtschaft machen, nichts.

Also, da können Sie auch nicht sagen, da machen wir eine Übergangsfrist, Ihr zählt noch ein paar Jahre anders. Das geht nicht. Das ist allerdings ein Beispiel. Es gibt durchaus noch Kapitel, wo sie nicht fertig sind.

Meine eigentliche Sorge ist, daß große Bereiche von den Staats- und Regierungschefs aus politischen Gründen beschlossen werden, ohne, daß sie sich darum scheren, ob die Sache reif ist. Also, der Sündenfall ist eingeleitet. Der ist mit Nizza eingeleitet, als sie gesagt haben, bis zum Jahr 2004 sollen die ersten dabeisein. Der Schröder hat das mühselig eingefangen, indem er gesagt hat, das wichtigste ist nicht das Datum, sondern das wichtigste ist, das tatsächlich diese Sachen umgesetzt sind.

Und da liegt die eigentliche Schwierigkeit. Da habe ich auch Angst davor. Das ist etwas, wovor ich Angst habe. Also, da ist ein Problem, daß sie sagen: 'Jetzt muß es sein'.

**Sie Sie dann schon der Ansicht, daß die Erweiterung in mehreren Schritten erfolgen sollte?**

Das sowieso. Im Grunde, das logische Verfahren wäre zu sagen, wir verhandeln die Sachen mit den Staaten durch, wir beobachten die Entwicklung und der erste, der fertig ist, der kommt rein. Und dann der nächste, der fertig ist, kommt rein. Das ist das logische Verfahren. Das geht schon wegen Polen nicht, weil die Ungarn schneller fertig sind als die Polen und die Polen würden rot sehen, wenn sie nicht bei der ersten Welle dabei sind. Also muß man, ob man will oder nicht, aus außenpolitischen Gründen ein Geleitzugverfahren machen. Aber nicht alle gleichzeitig.

**Halten Sie den Zeitplan für zu früh?**

Ich halte das entschieden für zu früh. Wenn ich mir den Stand der Verhandlungen jetzt ansehe, halte ich es für zu früh und zwar nicht nur jetzt im Interesse der Europäischen Union und ihrer Mitgliedstaaten. Es wird ganz wenig bei uns darüber diskutiert, daß die Sache auch ihre Schatten- und Kehrseiten für die Beitrittsstaaten hat.

Bei uns haben die Leute immer im Kopf: 'So, die wollen rein, weil sie bei uns auf die Arbeitsmärkte drängen wollen'. Das bedeutet, daß für ein Land wie die tschechische Republik oder Polen die Zeit einer rationalen Wirtschaftspolitik vorbei ist, weil das unter den EU-Regeln verboten ist. Und daß sie dann über Nacht den Regeln der Marktwirtschaft ausgesetzt sind. Das übersehen viele. Mit das Schlimmste, was uns passieren kann ist, wenn wir die zwar als Mitglieder haben, die Wirtschaft dort aber dem Konkurrenzdruck nicht standhält und sie dann eine Betriebschließung nach der anderen haben und ein wachsendes Heer von Arbeitslosen.

Das wenn passiert, dann tun wir uns keinen Gefallen. Das interessiert aber Leute wie Fischer nicht.

**Also sollte der Prozeß insgesamt praktischer verlaufen?**

Ja, und das predige ich seit Jahren. Es wird auch angeblich gemacht.

**Es hieß ja früher immer, zunächst Reformen und dann Erweiterung. Jetzt heißt es plötzlich umgekehrt: Erweiterung und dann Reformen.**

Das kann man nicht machen.

**Wo würden Sie denn die Grenzen der Erweiterungsfähigkeit sehen? Es gibt ja Diskussionen, daß Rußland sogar eines Tages Mitglied werden könnte und dann haben wir noch das Problem der Türkei. Wie sollte die EU denn damit verfahren? Sollten die Staaten aufgenommen werden oder sollte Ihnen signalisiert werden 'Ihr könnt nie Mitglied werden'?**

In beiden Fällen sage ich, das gibt keinen Sinn. Weder im russischen, noch im türkischen Fall. Ich glaube nicht mal, daß es Sinn macht, daß wir die ganzen Balkanstaaten reinnehmen. Nur ich fürchte, daß die großen Führer es im Kopf haben, daß der Balkan komplett dazukommt. Das wird eine Europäische Union geben, die unregierbar ist. Wir sind mit dem jetzigen Vorhaben, zehn dazuzunehmen an der Grenze. Mir ist das im Grund schon zuviel. Ich würde beim Balkan was anderes machen, innerhalb des Balkans würde ich Bulgarien und Rumänien dazunehmen.

Aber jetzt zum Fall Rußland und zum Fall Türkei. Beide haben zunächst etwas gemeinsam, was gegen eine Mitgliedschaft spricht. Wenn man mit amerikanischen Politikern redet, dann legen einem die immer die Mitgliedschaft der Türkei in der EU an. Die sagen, die sind doch auch in der NATO. Und denen sage ich dann immer, wenn wir in Europa das Gesellschaftsmodell hätten, daß Ihr in den Vereinigten Staaten von Amerika habt, dann wäre es gar kein Problem. Weil Ihr habt kein Solidarmodell. Wenn wir nur ein Freihandelszone hätten, ohne Solidarmechnismen, dann wäre es egal, dann können Sie jeden nehmen.

Wenn das was die Europäische Union ist in einer gewissen Art und Weise abbildet, was wir an gesellschaftlichem Verständnis in den Mitgliedsstaaten haben, dann ist es zumindest in den Mitgliedstaaten auf dem Kontinent so, das Vereinigte Königreich ist ein Grenzfall, daß die Arbeiterbewegung und ihre Forderungen und der soziale Teil des Christentums in das gesellschaftliche Denken integriert worden sind, in Form der sozialen Marktwirtschaft. Und dann ist es eine Frage je nachdem wer regiert, wie sehr das Soziale betont wird, oder weniger betont wird. Aber es gibt im deutschen politischen Spektrum niemand, der einen Manchester-Kapitalismus haben will.

Und das ist eigentlich in den meisten europäischen Staaten so. Deshalb haben wir abgebildet auf der Ebene der EU auch Solidarmechnismen. Nicht jetzt bezogen auf den Einzelnen, denn Krankenkasse und dergleichen sind eine nationale Angelegenheit, aber bezogen auf die Staaten. Der Agrarhaushalt ist, obwohl er einen anderen Namen trägt, in Wahrheit ein Teil des Ausgleichs zwischen den Armen und den Reichen. Wir haben also sowas wie Solidarmechnismen. Wenn man Solidarmechnismen nicht hat, wie in Amerika, dann ist es anders. Wenn man Solidarmechnismen hat, dann landet man vor der Frage der politischen Akzeptanz des Solidaritätstranfers bei der Bevölkerung. Wir haben ja hier in Deutschland schon Schwierigkeiten, dem Bauern im bayerischen Wald klarzumachen, warum er die Rente für jemanden in Wanseeikel zahlen soll. Das haben sie noch um eines verstärkt, wenn es um Geldtransfer zwischen europäischen Staaten geht. Und sie haben es nochmal verschärft, wenn es um Geldtransfer ginge mit Staaten, die die große Mehrheit der Bevölkerung nicht als Staaten ansieht. Das heißt, die Türkei in der NATO ist kein Problem, die Türkei in einer Freihandelszone wäre kein Problem, die Türkei in einer Europäischen Union mit Solidarmechnismen, die von der Bevölkerung getragen werden muß ist ein Problem.

Das kann man richtig finden oder kann man falsch finden, aber die große Mehrzahl der Menschen und nicht nur in Deutschland, auch in anderen europäischen Ländern, betrachtet die Türkei nicht als europäisches Land.

**Es kommt ja auch noch die Menschenrechtslage dazu.**

Wir reden jetzt nicht vom Ist-Zustand. Jetzt haben wir teilweise die verlogene Situation, daß die Türkei betrogen wird, indem man sagt, wir können mit Euch nicht verhandeln, weil die Menschenrechtslage da ist und weil Ihr nicht demokratische seid. Ich rede von einer Türkei, die voll demokratisiert ist.

Und es gibt einen zweiten Grund, der gleichermaßen jetzt für Rußland und für die Türkei gilt. Man kann in die europäische Union nur Staaten packen, die von ihrem Wertesystem zu dem passen, was an Wertebasen in unseren Gesellschaften bestehen. Wenn man auf eine Kurzformel bringen will, was das ist, ich beschreibe das immer so: Europa ist eine gelungene Mischung aus den Werten des Christentums und der Aufklärung. Beides. Länder, die den Prozeß der Aufklärung nicht durchlaufen haben, oder ihn erst seit kurzem begonnen haben, werden immer Schwierigkeiten haben mit dem Wertesystem bei uns. Es ist gar keine religiöse Frage. Bei Rußland haben sie halt das orthodoxe Christentum, wenn sie dort überhaupt Religionen haben. Das ist kein Problem. Das Problem ist, daß Rußland nie eine Aufklärung gehabt hat und das, was dann nach der Revolution kam, kann man auch nicht gerade als Phase der Aufklärung bezeichnen.

Also, daß, was wir mühselig gelernt haben über Menschenrechte, wenn Sie heute einen Mitteleuropäer fragen, wie ist das mit der Sklaverei, dann sagt er, das geht nicht. Wenn Sie ihn das vor 300 Jahren gefragt hätten, hätte er das nicht gesagt. Sie haben sehr lange gebraucht für ganz einfache Dinge. Daß der Mensch auch wenn er kein Geld hat ein Recht hat, das wird nie realisiert. Diese Phase der Aufklärung gibt es auch bei der Türkei nicht. Die Türkei hat ihre Demokratisierung begonnen 1920 mit Cemal Attatürk. Das ist jetzt bald eine Generation her.

**Das ist ja auch die allgemeine Diskussion, ob Europa eine Wertgemeinschaft ist.**

Es ist gar keine Alternative. Die Frage ist ja nicht, ob Europa eine Freihandelszone ist, dann brauch ich das mit den Werten nicht. Dann bildet sie aber die Gesellschaften nicht ab, dann wäre auch schwer denkbar, daß dort eine verbindliche Gesetzgebung geschaffen wird, was der Fall ist. So wie die EU jetzt verfasst ist, ist sie bereits mehr als eine Freihandelszone. Und wenn man sie nicht zu einer einfachen Freihandelszone ohne Solidarmechanismen, ohne Gesetzgebung, höchsten intergovernmentaler Vereinbarungen machen will, wenn man sie dazu nicht zurückentwickeln will, dann bleibt gar keine andere Alternative als daß wir über Werte reden. Dann landen wir bei dem Problem, von dem ich gesprochen habe.

In der Frage Rußlands kommt noch was dazu, ein Europa vom Atlantik zum Ural wäre ein Schrecken für den Rest der Welt. Das wäre ein Schrecken für den Rest der Welt. Stellen Sie sich vor, die europäische Union ist ja heute schon die größte Wirtschaftsmacht der Welt. Und technologisch in den meisten Bereichen genauso weit wie die Amerikaner.

Wenn Sie das kombinieren mit dem russischen Nuklearpotential, mit den riesigen Rostoffvorräten, die es in diesem Land gibt und mit dem technischen und wirtschaftlichen know-how, daß es hier gibt, dann kommt eine Supermacht raus, die so niemand mehr erträgt. Also, daß wäre für mich eine Schreckensvorstellung, weil wir eine Bedrohung für den Rest der Welt wären.

**Den letzten Punkt, den ich gerne ansprechen würde ist die Außen- und Sicherheitspolitik. Könnten Sie sich vorstellen, daß die europäische Eingreifstruppe langfristig zu einer eigenständigen europäischen Sicherheitspolitik, die eventuell dann auch unabhängig von der NATO operiert, ausgebaut werden könnte. Die zweite Frage wäre, was halten Sie von den amerikanischen Plänen, den ABM-Vertrag hinfällig zu machen, um ein europäisches Raketenabwehrsystem zu entwickeln. Sollten sich die Europäer daran beteiligen?**

Ich halte von letzterem nichts. Es ist zwar richtig, daß mit dem Ende des kalten Krieges die bisherige Strategie der Politik des Gleichgewichtes beendet ist. In einer multipolaren Welt ist eine solche Strategie schwierig. Nur daraus jetzt den Schluß zu ziehen, ich mache mich jetzt unangreifbar, das funktioniert nur unter der Logik der Abschreckung. Die Wahrheit wird sein, daß die neue Strategie auf das Einschmuggeln von Atomwaffen setzen wird, wie auf lautlose U-Boot-Angriffe. Also diese Idee stabilisiert nicht, die destabilisiert.

Es gibt keine Notwendigkeit für die Vereinigten Staaten von Amerika sowas zu tun. Die, die sie da im Auge haben, wie den Iran oder den Irak, die haben keine entwickelten Interkontinentalraketen. Die sind zwar manchmal irrational aber nicht so extrem. Es gibt überhaupt keinen Grund, es sei denn, man will eine noch größere Supermacht sein, als man ohnehin schon ist. Und es ist genauso wie dieses Verteidigungssystem gegen Angriffe aus dem Cyberspace, es ist ein richtiges ABM-Programm für die amerikanische Wirtschaft. Die amerikanische Wirtschaft hat immer von Rüstung gelebt.

Die europäische Eingreifstruppe wird zu dem Zweck gemacht, daß die Europäer unabhängig, im Rahmen der eigenen Außen- und Sicherheitspolitik kooperationsfähig sind, ohne die NATO bzw. die Amerikaner zu brauchen. Das hat Grenzen, wenn es um Nuklearwaffen geht, weil die Spielzeuge der Franzosen und Briten keine glaubwürdige Abschreckung darstellen. Solange es in dem Ausmaß keine unabhängigen Atomwaffen gibt, wird man an einer Nukleargarantie der Amerikaner nicht vorbeikommen. Die Ideallösung wäre die Verschrottung dieser Waffen, aber soweit sind wir noch nicht. Das werden wir lange nicht lösen.

Das andere, was auch gelöst werden muß, das halte ich für lösbar, das ist die Frage einer eigenen Satellitenkapazität. Man kann heutzutage nicht militärische Operationen durchführen, wenn man nicht eine saubere Aufklärung hat. Das geht nur mit Satelliten, am besten Echtzeit. Wir haben zwar ein Satellitenaufklärungszentrum der WEU, das in die EU überführt worden ist, aber wir brauchen einen europäischen Satelliten, denn man im Zweifel auch dirigieren kann.

**Die abschließende Frage wäre, wie sich die Europapolitik der jetzigen Bundesregierung im Vergleich zur Vorgängerregierung Kohl verändert hat. Welche Prioritäten wurden gesetzt?**

Das können sie im Leitantrag zum SPD-Parteitag präzise nachlesen. Auf die Kurzformel gebracht, es ist auf der einen Seite ist es realistischer, z.B. man kann sich vorstellen, daß Zuständigkeiten zurückkommen. Auf der anderen Seite ist es ein ganz klares Bekenntnis zur Demokratisierung.

## Appendix 6

**Interview with Professor Jürgen Meyer MdB (SPD),  
vice chairman of the Bundestag committee on European Union issues, SPD  
Bundesparteitag, Nuremberg**

20 November 2001

**Sind Sie der Ansicht, dass der EU-Gipfel von Nizza bezüglich der institutionellen Reformen die notwendigen Schritte gebracht hat?**

Der Gipfel hat das Mindestnotwendige gebracht. Die Ergebnisse sind alles andere als schön. Beispielsweise ist die Feststellung einer qualifizierten Mehrheit mehr für Computer maßgeschneidert als für die Personen, die abstimmen. Auch die Grösse der Kommission ist ja ein ungelöstes Problem. Es ist eher eine Übergangslösung, aber jedenfalls sind die unbedingt zu diskutierenden institutionellen Fragen, um die Erweiterung möglich zu machen, jetzt vorerst gelöst. Aber ich bin überzeugt, dass der zweite Konvent, der den Gipfel 2004 vorbereitet, auch zu diesen Fragen bessere Vorschläge machen kann und machen sollte.

**Sind Sie der Meinung, dass diese Reformen noch vor der ersten geplanten Erweiterungsrunde durchgeführt werden müssten oder könnte man sie eventuell, wie manche Mitgliedstaaten argumentieren, noch während dieser Erweiterungsrunde (oder am Ende erst danach) durchführen?**

Der Zeitplan sieht ja so aus, dass die Beitrittsverhandlungen mit den 10 aussichtsreichen Kandidaten, von den Zwölfen haben ja nur Bulgarien und Rumänien schlechte Karten, also mit 10 Kandidaten bis Ende 2002 abgeschlossen sind und das dann möglichst viele Beitrittskandidaten auch an der Europawahl 2004 teilnehmen. Die ist im Frühjahr oder Sommer 2004. Ich halte es für terminlich schwierig, die Regierungskonferenzen mit den angesprochenen Korrekturen vorher zum Abschluss zu bringen. Ich fände es wünschenswert, meine aber nicht, dass man dieses geradezu zur Bedingung machen sollte. Ich gehe davon aus, beide Verfahren laufen parallel, könnte mir aber vorstellen, dass die korrigierenden Entscheidungen tatsächlich erst nach der Europawahl möglich sein werden. Denn nach abgeschlossener Regierungskonferenz muss ja dann noch das Ratifikationsverfahren, wie jetzt zu Nizza, in allen Mitgliedsländern durchgeführt werden und das erfordert seine Zeit.

**Welchen Zeitpunkt würden Sie folglich für geeignet halten, um mit der ersten Erweiterungsrunde zu beginnen? Denken Sie, dass es 2004 überhaupt schon möglich ist, die EU zu erweitern?**

Ich bin davon überzeugt und ich könnte mir sogar vorstellen, dass es nicht ausgeschlossen ist, dass 10 Länder nach vollzogener Erweiterung bereits an der Europawahl 2004 teilnehmen. Die Korrekturen, die Weiterentwicklung der institutionellen Entscheidungen von Nizza, die würden dann sicherlich erst im Laufe des Jahres 2005 in Kraft treten können.

**Wie denken Sie, wird sich die aktuelle international Krise bezüglich all dessen, was nach dem 11. September passiert ist, auf den Erweiterungsprozess auswirken wird. Denken Sie, er wird sich eher verlangsamen oder denken Sie, dass gerade aufgrund der Notwendigkeit, neue Partner im Kampf gegen den Terrorismus zu finden, der Erweiterungsprozess eventuell schneller ablaufen bzw. forciert werden wird?**

Ich gehe davon aus, dass das zweite der Fall sein wird. Nicht zuletzt wegen des erhöhten Interesses der Beitrittskandidaten, in einem Staatenverbund zu sein, der auch mehr Sicherheit bietet und das man ausserdem erkennt, wie wichtig es ist, in einem solchen Staatenverbund eben auch zur Not Hilfe zu bekommen. Diese Einsicht wird sich meines Erachtens jetzt rascher durchsetzen als vorher.

**Sollte es bezüglich des Erweiterungsprozesses als längerfristigen Prozess eine Grenze geben? Manche Mitgliedstaaten argumentieren, Russland könnte niemals Mitglied der EU werden, weil es einfach den geplanten institutionellen Rahmen der EU sprengen wuerde.**

Nach meiner Auffassung sollte die Grenze nicht geographisch, sondern inhaltlich genauer durch den Inhalt der Grundrechtecharta bestimmt werden. Die Länder, die sich zu dieser europäischen Werteordnung nicht nur bekennen, sondern, was ja genauso wichtig ist, sie auch in ihrem Land verwirklichen, die gehören nach meiner Überzeugung in die Europäische Union. Das ist eben ein grosses Problem mit der Tuerkei und würde sicher auch ein grosses Problem mit Russland sein. Insofern ist das Beispiel Russland zur Zeit noch Utopie, aber nicht aus geographischen Gründen.

**Also, es sollte Grenzen geben.**

Es sollte Grenzen geben, aber solche, die durch die gemeinsame Werteordnung bestimmt werden und ich finde die Konkretisierung dieser Werteordnung durch die Grundrechtecharta wichtig, denn im Blick auf die Türkei geht's halt jetzt nicht mehr nur um Todesstrafe oder Minderheitenschutz oder Folterverbot, sondern um z.B. das Lebenselement der Demokratie, um Presse- und Rundfunkfreiheit und vieles andere mehr. Da ist sehr deutlich gezeigt, was wir unter Demokratien und Rechtsstaaten verstehen und nur solche Länder in die EU aufgenommen werden.

**Zu einem ganz anderen Thema innerhalb unseres Themenbereiches: Die Entwicklung innerhalb der jetzigen europaeischen Union im Bezug auf die Führungskonstellation. Viele Analytiker, die sich mit der Europapolitik und der EU befasse, argumentieren, dass der Nizza-Gipfel einen Prozess offenbart hat, der schon seit laengerer Zeit unter der Decke geschwelt hat: naemlich, dass das ehemalige Fuehrungsstandem zwischen Deutschland und Frankreich eben nicht mehr so gut funktioniert wie frueher und das man jetzt, wenn man die EU betrachtet, wie sie arbeitet, wie sie geführt wird, eher auf eine EU der multiplen Fuehrungskonstellationen blickt und nicht mehr auf das eine Duo zwischen den ehemals fuehrend Staaten Deutschland und Frankreich. Denken Sie, dass diese Analyse korrekt ist, oder denken Sie, dass das zu weit geht?**

Also, sie hat schon Richtiges an sich. Ich fände es aber wünschenswert, wenn z.B. Grossbritannien vielmehr als in der Vergangenheit, statt zu bremsen, eine Führungsrolle übernehmen wuerde, wie Tony Blair das heute in seiner Ansprache ja auch angedeutet, bzw. angeboten hat. Was Nizza angeht, muss man allerdings sehen, dass der Vertrag von Nizza ganz gewiss kein Ergebnis deutsch-franzoesischer Führungskraft gewesen ist. Man koennte auch, um die Betonung klarer zu machen, französisch-deutscher Führungskraft. Aber, die Grundrechte-Charta, die ja auch in Nizza zu behandeln war und dort feierlich proklamiert worden ist, die waere nicht möglich geworden ohne die enge Zusammenarbeit zwischen Delegierten aus Frankreich und Deutschland. Zum Beispiel ist das Kapitel soziale Grundrechte, die Personifizierung des Grundsatzes der Solidarität, das mir eben auch als Delegierter sehr wichtig gewesen ist, zurückzufuehren auf einen gemeinsamen Antrag von Guy Brebon, dem Delegierten der französischen Regierung und von mir. Das hat Guy Brebon, ich hab' das nicht so sehr in meinem Sprachschatz, eine deutsch-französische Achse genannt. Aber das ist eben nur ein einzelnes Beispiel und je mehr sich an einer solchen Führungsrolle beteiligen, umso besser und konsensträchtiger finde ich die Politik der europäischen Union.

**Die offizielle Position der britischen Regierung ist ja, im Endeffekt die deutsch-französische Achse zu ergänzen und sie zu einem Führungstrio zum machen. Denken Sie also, Grossbritannien könnte das unter bestimmten Voraussetzungen erreichen und wenn Sie dem zustimmen, unter welchen Voraussetzungen? Beispielsweise ist der Euro-Beitritt Grossbritanniens eine zwingende Voraussetzung, um Grossbritannien zu einem führenden Mitgliedsstaat zu machen?**

Der Euro-Beitritt ist eine ganz wichtige, geradezu zwingende Voraussetzung. Ich kann mir nicht vorstellen, dass ein Land eine Führungsrolle spielt, dass in dieser wichtigen Frage vor der Tür steht. Aber aus meiner Sicht waere es auch sehr wichtig, wenn Grossbritannien die Vorbehalte gegenüber der Verbindlichkeit der Grundrechtecharta aufgibt. Denn, wie ich eingangs sagte, diese Grundrechtecharta beschreibt die europäische Werteordnung. Und das sollte nicht eine bloße Versprechung, sondern ein verbindlicher Normenkatalog sein. Ich bin zuversichtlich, dass mit einer gewissen zeitlichen Verzögerung Grossbritannien auch für die Verbindlichkeit dieser Charta sein wird, die ja zu definieren hilft, welche Laender nach ihrer Werteordnung zur europäischen Union gehören.

**In welchen Bereichen denken Sie denn, könnte entweder Deutschland mit Grossbritannien kooperieren oder die EU generell von einer führenden Rolle Grossbritanniens profitieren? Beispielsweise wenn wir denken an grössere Transparenz, die Punkte die Premierminister Blair heute angesprochen hat. Meinen Sie, dass die Briten hier eine etwas dominierende Rolle bezueglich der Demokratisierung und Transparenz der EU spielen könnten?**

Also ich denke zuerst mal an die Absicht, eine gemeinsame Aussen- und Sicherheitspolitik der EU zu entwickeln und erst dadurch, dass Grossbritannien dabei auch eine führende Rolle übernimmt wird deutlich, dass richtet sich nicht gegen die USA. Denn das Grossbritannien die enge Freundschaft mit den USA je verlassen wuerde, ist ja außerhalb jeder Diskussion.

Also hier fände ich die Rolle von Großbritannien ausserordentlich wichtig, aber es gibt eben auch, wenn man an die Aussenpolitik der europäischen Union in Richtung ehemaliger Kolonialländer denkt, eine ganz wichtige Aufgabe, die Grossbritannien viel besser spielen kann, als die Bundesrepublik. Im übrigen denke ich, dass man in einer Diskussion über Globalisierung, da wiederhole ich mich ein bisschen, mit Grossbritannien zusammen, das deutlich machen muss, was Tony Blair ja heute auch angedeutet hat, es geht auch um die Globalisierung von Menschenrechten.

**Denken Sie, das Grossbritannien auch vor allem im Bezug auf die Beziehungen zwischen den USA und Europas eine führende Rolle spielen könnte?**

Es hat eine ganz wichtige Brückenfunktion und die Aufgabe, dieses Bündniss Europa-USA stabil zu halten und vor jeder Art von Missverständnissen zu schuetzen.

**Kommen wir wieder zu Deutschland zurueck: Wie denken Sie wird sich das Gewicht Deutschlands nach der erfolgreichen Erweiterung in Richtung Mittel- und Osteuropa veraendern. Wird Deutschland dadurch zum dominierenden Mitgliedstaat in der EU, wie es manche unserer Nachbarländer befuerchten?**

Also geographisch rückt Deutschland zweifellos weiter in die Mitte. Ich meine allerdings nicht, dass dadurch die politische Rolle Deutschlands sich dramatisch verändert. Eher, und das ist ein Aspekt, der ein bißchen in den Windschatten geraten ist, eher wird sich die Rolle von Berlin veraendern. Berlin wird so eine Art neuer Metropole fuer die europäische Union sein und dadurch nach meiner Einschätzung ein ähnliches Gewicht bekommen, wie es jetzt schon Paris und London haben.

Aber dass sich die Rolle Deutschlands dramatisch veraendert, sehe ich eigentlich nicht, gerade, weil ich eben auch wichtig finde, dass die Führung der europäischen Union von mehr als zwei Ländern, geschweige denn nur von einem ausgeübt werden soll. Aber Berlin hat da grosse Chancen.

**Aber die Ängste bestehen ja und man hört gerade im Bereich des wirtschaftlichen von den Ängsten bestimmter Nachbarstaaten, vor allem der Franzosen, dass Deutschland eben seine starken Wirtschaftsbeziehungen zu Mittel- und Osteuropa ausnutzen koennte, um auch politisch zu dominieren und politisch den Ton im mittel- und osteuropaeischen Bereich in der erweiterten EU anzugeben. Was meinen Sie, müsste die deutsche Europapolitik tun, um solchen Aengsten entgegenzuwirken?**

Ich könnte mir vorstellen, dass wenn die wirtschaftlichen Probleme, auch die Probleme mit der Arbeitslosigkeit, die Deutschland ja nach der Herstellung der deutschen Einheit im besonderen Masse nach wie vor hat, wenn die geringer werden, dass Deutschland dann auch aufgrund dieser Wirtschaftskraft mehr im Bereich der EU als sogenannter Nettozahler zu leisten haben wird. Aber das bedeutet nicht, dass sich das politische Gewicht dadurch dramatisch veraendern wuerde. Das ist ja nun auch durch die Idee, zwar nicht mehr einstimmig aber doch mit qualifizierter Mehrheit zu entscheiden, gewahrleistet. Kein Staat alleine könnte es zu einer Mehrheit bringen und es wäre fatal, aber durchaus möglich, dass dann ein Hauptzahler permanent über das eigene eingezahlte Geld entscheidet. Und es waere dumm von Deutschland, wenn es auf Hinweis auf wirtschaftliche Stärke dann ohne Rücksicht auf andere agieren wuerde. Die Gefahr sehe ich jedoch nicht.

Ich meine, dass Deutschland, das galt für die alte und gilt auch für die neue, jetzige Regierung, ein besonders europafreundliches Land ist und deshalb Befürchtungen überhaupt nicht am Platze sind.

**Wie beurteilen Sie die Bereitschaft der jetzigen Regierung, grössere militärische Verantwortung im internationalen Bereich zu uebernehmen. Teilen Sie die Auffassung Gerhard Schroeders, das damit ein neues Kapitel in der deutschen Aussenpolitik beginnt, naemlich der Abschied von dem zwar führenden Part in Europa, aber nicht immer ganz an allem teilhabenden Part in Europa, eben auch bezüglich der Verantwortung?**

Also, Deutschland war bisher ein wirtschaftlicher Riese und ein militärischer Zwerg. Ein völliges Gleichgehen in dieser zweiten Hinsicht kann es schon deshalb nicht geben, weil wir die Besonderheit des Parlamentsvorbehaltes haben. Also, Militäreinsätze der Bundeswehr ausserhalb des NATO-Gebietes bedürfen der Zustimmung des deutschen Bundestages. Das ist eine Gewähr dafür, dass Deutschland in diesem Bereich zwar in Situationen wie derzeit mitmachen kann, aber immer ein bißchen zurückhaltender sein wird als ihre europäischen Partner und es ist das Ende einer Sonderrolle, aber die grosse Zurückhaltung im militärischen Bereich, wie auch die Debatten in der SPD zeigen, die ist noch längst nicht ueberwunden und ich finde das auch gar nicht so schlecht.

**Wieder zurueck zur Osterweiterung. Ich wuerde Sie gerne zu einem Problem befragen, das immer wieder auftritt. Wenn man die Umfragen der letzten Monate (Eurobarometer etc.), erkennt man einen starken Rückgang der öffentlichen Unterstützung in der Bundesrepublik für die beiden grossen wichtigen Projekte in der EU, zum einen die Osterweiterung und zum anderen auch die europäische Währungsunion. Denken Sie, dass dieser Rückgang in der öffentlichen Unterstützung fuer diese beiden zentralen Projekte langfristig zu Problemen im Integrationsprozess fuehren wird?**

Das glaube ich nicht, denn diese beiden ganz wichtigen politischen Entscheidungen sind, was Deutschland angeht, ja gefallen und die künftige Einschätzung in der öffentlichen Meinung wird sich nach den Erfahrungen richten, die man dann eben machen kann. Wenn sich die Deutschen an die neue Währung gewöhnt haben und von der geliebten DM Abschied genommen haben und der Abschiedsschmerz eine Weile verarbeitet worden ist, werden die Deutschen sich mit dem Euro problemlos anfreunden koennen, sowie die alten Vorbehalte keine Rolle mehr spielen werden. Was die Osterweiterung angeht, wird die von manchen befürchtete Wanderung von Billigarbeitskräften nach meiner Überzeugung nicht einsetzen und dann wird es ein grosses Aufatmen geben, man wird sehen, das war auch fuer Deutschland eine gute Entscheidung und nicht eine zusätzliche Gefährdung des Arbeitsmarktes in Deutschland.

**Sehen Sie keine Gefahr, dass das eventuell zu einem Wahlkampfthema werden könnte und rechte Parteien die Ängste der Bürger ausnutzen könnten?**

Nein, also es gab dafür Ansätze zu einer sehr kritischen Haltung in der CDU/CSU und das wäre tatsächlich dann gefährlich geworden, aber Stoiber hat hier heftig zurückgerudert und da sehe ich die Gefahr eines Wahlkampfthemas Osterweiterung, die noch im vergangenen Jahr nach meiner Beobachtung bestanden hat, jetzt nicht.

**Selbst wenn es keine Gefahr gibt, was müsste die Bundesregierung generell tun, um diesen Befürchtungen entgegenzuwirken? Sollte sie mehr informieren, sollte sie anders argumentieren?**

Nach unserer Auffassung ja, das haben wir auch als Bundestagsfraktion immer wieder nicht nur selbst versucht, sondern auch von der Bundesregierung verlangt, und ich gehe davon aus, das verstanden worden ist und die Vorturteile, die auf Fehleinschätzungen und Fehlurteile beruhen ausgeräumt werden können. Da ist noch heftig zu arbeiten. Aber nochmal, ich bin jedenfalls froh dass das, zumindest zwischen den beiden grossen Volksparteien, kein Wahlkampfthema sein wird.

**Noch eine andere Frage zur schnellen Eingreiftruppe: Sollte die EU diese schnelle Eingreiftruppe langfristig zu einer wirklichen gemeinsamen Aussen- und Sicherheitspolitik ausbauen? Das ist ja ein Vorschlag, der vor allem in Grossbritannien heftig diskutiert wird.**

Das ist ein Vorschlag, der mit der künftigen gemeinsamen Sicherheitspolitik der EU zusammenhängt und aus deutscher Sicht ist es weniger heikel eine EU-Eingreiftruppe zu haben als eine der Bundeswehr, die dann überall in der Welt womöglich fuer Ordnung sorgen sollte. Wenn man diese Entwicklung skeptisch sieht und das tue ich selbst durchaus, muss man sagen ist jedenfalls aus deutscher Sicht eine EU-Eingreiftruppe das kleinere Risiko gegenueber einer Bundeswehr-Eingreiftruppe. Deshalb meine ich, dass wir dieses Thema eher europafreundlich, also eher EU-freundlich weiter diskutieren werden als als spezielle Aufgabe der Bundeswehr. Wir haben ja jetzt auch in Afghanistan sehr deutlich gemacht, wir wollen uns nicht mit Bodentruppen beteiligen, auch nicht Bomben einsetzen. Das zeigt, welches die deutsche Haltung ist.

**Noch generell zur Zukunft der EU: Man liest häufig, dass sich zwei alternative Wege gegenüberstehen wuerden: Die einen sagen, wir brauchen ein eher intergouvernementales Europa, wo mehr Kompetenzen an die Nationalstaaten zurueckgehen, die anderen sagen, dass der natürliche Weg sein wird, dass immer mehr Kompetenzen an EU-Institutionen gehen werden. Das ist ja auch in Grossbritannien die grosse Angst, immer die grosse Diskussion über den 'Bundesstaat Europa'. Finden Sie, dass der erste Weg, das intergouvernementale Europa, oder der zweite Weg, die immer stärkere Integration, der bessere wäre?**

Ich meine, dass der zweite Weg nicht nur besser, sondern auch schwer vermeidbar ist. Besser deshalb, weil Entscheidungen, die nicht intergouvernemental fallen, sondern durch die neu zu bildenden und effektiv zu gestaltenden Gesetzgebungsorgane, also z.B. neben dem europaischen Parlamant eine Staatenkammer, getroffen werden, mehr Vertrauen finden, auch geeignet sind, Europaskepsis zurueckzudrängen

Wenn die Menschen das Gefühl haben, durch Wahlen unmittelbar mitwirken zu können, an dem, was in Europa passiert, dann wächst nicht das Misstrauen, wie in der Vergangenheit, sondern mehr Demokratie bedeutet nach meiner Auffassung auch mehr Vertrauen. Intergouvernementale Prozesse sind ja nicht so demokratisch, nach meiner Auffassung, wie die in einem zusammenwachsenden Europa.

Das der zweite Weg schwer vermeidbar ist und die ja auch z.B. von Ministerpräsident Clement zur Debatte gestellte Renationalisierung bestimmter Bereiche nicht geht, ergibt sich aus den europaeischen Verträgen. Die Rückverlagerung z.B. der Landwirtschaftspolitik an die Mitgliedstaaten könnte nur einstimmig akzeptiert werden, deshalb können wir aufhören, darüber zu diskutieren. Die Rückverlagerung der Strukturpolitik wird z.B. von Spanien nie akzeptiert werden. Das zu fordern, heisst, einer Illusion nachzujagen. Ich bin der Auffassung, dass sich die Kompetenzen, die nicht zurückverlagert werden können, transparenter und demokratischer nutzen lassen. Man sollte auch sehr sorgfältig prüfen, ob bisher nicht manche in Brüssel aufgehäufte Kompetenz gegen das Subsidiaritätsprinzip verstösst. Aber nicht, indem man dann ganze Politikbereiche zurückverlagert, sondern sagt, diese oder jene konkrete Entscheidung kann besser nur vom Mitgliedsland, also einem Nationalstaat gelöst werden. Deshalb stelle ich mir vor, dass in der neuen Verfassung so etwas wie ein aus den Gesetzgebungsorganen zusammengesetzter gemeinsamer Subsidiaritätsausschuss gebildet wird, der politisch entscheidet, was Brüssel darf und was nicht. Und letztlich muss das dann der EGH entscheiden, das wird dazu führen, dass Brüssel manche Sache nicht mehr zu entscheiden hat. Aber ganze Politikbereiche zurückzuverlagern ist aus meiner Sicht nicht nur nicht sinnvoll, sondern es geht auch nicht.

**Sollten diese kleinen Teilbereiche, die dann eventuell zurückverlagert werden aber dann auch, wie Bundeskanzler Schroeder gestern meinte, in der Verfassung, in einer EU-Grundrechtsverfassung oder Charta (wie immer man sie nennen mag), festgelegt werden?**

Ja, allerdings nicht durch einen Kompetenzkatalog, wie wir ihn etwa in der Bundesrepublik Deutschland haben, sondern durch ein Kompetenzzuweisungsverfahren, wie ich eben skizziert habe. Denn einig, und darauf sollte man auch kommen, sind sich alle Mitgliedsländer, auch alle nationalen Parlamente, ueber die Geltung des Subsidiaritätsprinzips. Und dieses in einem vernünftigen Verfahren jeweils anzuwenden, das finde ich aussichtsreich. Über einen Kompetenzkatalog könnte man 10 Jahre und länger streiten und er käme trotzdem nicht zustande.

**Meine letzte Frage wäre: Teilen Sie die Auffassung, dass unter einer neuen Generation von Politikern wie Bundeskanzler Schröder und Bundesaußenminister Fischer, die nicht mehr zur unmittelbaren Nachkriegsgeneration gehören, fuer die Europa also nicht wie für frühere Generationen unbedingt Krieg oder Frieden bedeutet, unter Führung dieser Politiker die Europapolitik pragmatischer geworden ist, man also eher bereit ist auch mal in Sachfragen mit den Nachbarstaaten und den Partnern in der EU zu streiten und nicht immer nur darauf aus ist, Integration um jeden Preis voranzutreiben, nur weil es eben eine Frage von Frieden oder neuen Unstimmigkeiten ist?**

Also, pragmatischer schon, aber jede pragmatische Entscheidung sollte immer auch betrachtet werden als ein Schritt in die richtige Richtung, sollte also weitergedacht werden und deshalb freue ich mich sehr ueber die jetzt ja immer lebhafter werdende Debatte über die Zukunft der EU und darüber, dass man zunehmend erkennt, dass die EU durch eine Werteordnung, wie sie in der Grundrechtecharta formuliert ist, nicht nur ihre Legitimation findet, sondern auch ihre Grenzen. Und das ist ein Bezug, den man bei allem Pragmatismus, den ich bei konkreten Entscheidungen unverzichtbar finde, nicht vergessen sollte. Und übrigens, mit Krieg und Frieden hat Europa schon nach wie vor zu tun, stellen Sie sich vor, Ex-Jugoslawien wäre vor 20 Jahren schon, eine Utopie, Mitglied der EU gewesen, dann hätten wir diese grässlichen Kriege in Ex-Jugoslawien nicht gehabt. Also, dass die EU auch Frieden sichern kann, dass ist nach wie vor meine Überzeugung. Europa sollte weniger durch Drohungen bestimmt sein, als durch gemeinsame Überzeugungen. Auch von vernünftiger Wahrnehmung eigener Interessen. Und deshalb finde ich es auch richtig, dass man, wenn es jetzt gegen Terrorismus geht, nicht immer nur sagt, man übe Solidarität und zwar selbstverständliche und auch uneingeschränkte mit den USA, sondern gleichzeitig auch immer betont und dieses liegt auch in unserem Interesse. Das ist ein pragmatischer Ansatz, den ich richtig finde. Der Schachzug ist der beste, der mehrere Funktionen erfüllt. Das heisst, wenn Sie einen Zug mit einem Springer oder Bauern machen, der nicht nur Verteidigungsfunktion hat, sondern auch Angriffsoptionen, dann ist das vermutlich ein besserer Zug als ein einsilbiger. Also pragmatische Politik kann ja auch in diesem Sinn eine mehrfunktionale sein.

## Appendix 7

### Interview with Gary Titley MEP (Labour), Manchester (Radcliffe)

1 March 2002

**The Convention on the Future of Europe has started working this week, yesterday actually. The first question is, if you were a participant in the Convention, what recommendations would you give in terms of institutional and procedural reform?**

The most important thing is the point which is least likely to be addressed. We need reform in the way the Council of Ministers operates. At the moment there is just too much time being spent by politicians on administrative matters. The General Affairs Council tends to be poorly attended and is insufficiently focused. The European Council meetings of the heads of state, we saw in Nice, has got so much on the agenda. I think what we need is to have a General Affairs Council which is made up of representatives of their Prime Ministers, politicians whose job it will be to deal with weekly events in the EU. Leaving foreign ministers, in the Foreign Affairs Council to look at foreign affairs and trying therefore also to only hand over to the European Council, at six monthly summits, the essential points. It seems to be the biggest weakness of how the Council operates.

Beyond that, we need things which will guarantee more effective delivery- we need more Qualified Majority Voting, there has to be a ... the subsidiarity debate is one which is very difficult. I think that the issue is as much about subsidiarity as about proportionality. It is exactly not so much where powers lie but in fact where they are exercised at different levels of government. And in many ways the subsidiarity argument is a red herring in that sense. It's more about authorities in different areas.

So I think these clearly are the main needs, but what we also have is a sense of trying to reach a conclusion about exactly where we're going. You know, what is the ultimate objective of the European Union. Because in many ways, the Treaty of Nice represents either the beginning of the end of the European Union or the end of the beginning. So its either that we've reached the end of that stage, we move on to another stage or really the European Union's coming to an end. Full stop.

**Do you think that these reforms you described should be implemented before the first new members states are able to accede the European Union or do you think this could be done during the process or even afterwards?**

It could be done during the process. You musn't tie the two things together, there is no reason why this can't be done at the Intergovernmental Conferences which are dealing with enlargement. So I think it's important not to say 'we must have these changes before enlargement' as a delaying tactic.

**Do you think that it would be realistic that, as for example the British government and other European governments argue that already for the European Parliament elections in 2004, the first group of countries should be enabled to participate in this European Parliament election, or is this too early?**

My view is always that the next wave of enlargement will happen on the 1<sup>st</sup> of January 2005. That's always fairly inconsistent, because of course there's nothing really stopping, if everything's agreed for these countries to participate in the European elections to elect people whom they know once they join in. So, I think there will be a bit of a European fudge on this, but the date is essential, because this thing went on for a long time and you got to have a fixed date in mind.

People underestimate the extent to which the European Union needs pressures in order to make progress.

**Which countries do you think should be part of the first group of accession candidates?**

The logical thing now is for the ten which were named in the last Commission report to be brought in, provided that Poland of course, is able to make progress on its application. The problem we've got is that Poland thinks that the European Union can't enlarge without it and therefore it doesn't have a sense of urgency like other countries have. But it's quite clear that Hungary, Estonia, the Czech Republic, Lithuania has made an enormous try, as indeed has Latvia and Slovenia are ready to come in. I think the stumbling bloc at the moment is whether Poland's going to be ready and the reality is, if you've got small countries like Lithuania, like Latvia, who are not quite ready the logic is to accept the at the same time because if you are going to enlarge again in two years time you might as well get them in now.

**Where do you see the major problems for the enlargement process as a whole? Should there for example be transitional periods concerning the free movement of workers or, for certain countries, in order to be able to take part in the Common Agricultural Policy?**

I think it's probably just one word: money. And now that's what we're talking about. The problem we've got is from which angle you look at the problem. For example, transitional arrangements on free movement. As you know, the situation that you've got up to seven years for individual member states. Firstly, the problem about the freedom of movement of labour is that the right in the EU talk about the influx of immigrants. You have the same in Spain and Portugal. It never happened, in fact what actually happened was the Spanish and Portugese economies expanded with the amount of people that already lived in Spain. So it's really about reassuring the public not to get distracted about this red herring and therefore if some countries get transitional periods that makes it more likely that they will accept enlargement and that's a good thing. The same is about the current furore about agricultural policy.

If you look at it from the applicant countries point of view, it appears as if they're being treated as second class citizens. But on the other hand, if you say, how much of this money could you spend then it wouldn't be very much different from our Commission proposals, certainly not to a large amount.

And on agriculture as well, the main problem would be, if you were to put in Common Agriculture Policy as it stands to Central European countries, particularly Poland, prices would go through the roof and undermine the economy and you've also got no incentives then to farmers to reform or modernise. And it would become impossible thereafter to reform the agricultural policy. So, if you look at it from the angle, yes we're being treated as second class citizens, it's not (inaudible). If you look at it from the angle of actually how much can you spend, time and time again I come up against this issue, people say, we need so much on the budget, so actually how much are you able to spend. Again, it's one of those very difficult arguments.

I think the Commission should come forward with what is a sensible compromise position and a realistic one. And the reality is, if you try to impose the Common Agricultural Policy on the existing level, you need 15 member states to support it, but they can't afford it.

**Do you think that there should be a general geographical limit to the enlargement process in the longer term. Would you for example say that a country like Russia should not become part of the European Union, or countries like Turkey where you have the big discussion about if it is really part of Europe and its culture as we know it?**

There is a geographical limitation in that you've got to be European. And that's why we said no to Marocco. However, of course Cyprus is east of Kiev and south of Tunis. There is a very broad definition of what is Europe. I don't think at this stage we have that debate. Turkey is part of the European family. So, I don't think that debate's a problem at the moment. Russia is a very, very big country and it's questionable if the European Union as it exists at the moment could bring in Russia. But we have to have a separate set of relationships with Russia. But Russia being ready to join the European Union is so far away anyway that I think it's a bit of a sort of academic debate because history will evolve and the situation will change. Ukraine is clearly European but the Ukraine is in such a mess that it wouldn't be able to join the European Union.

**Let's just go back to the discussion some politicians put forward: Should it be a Christian Europe or should it be a Europe which combines lots of different religions and cultures?**

I think that debate is a nonsensical debate. Religion has got no role to play in this.

**Britain is a strong supporter of the enlargement process, alongside Germany and other countries. What would you say are the United Kingdom's main interests in the enlargement process?**

I think it's seen very clearly as a project of security. A way of securing both political and economic security in Europe. I think the United Kingdom sees that very, very clearly. It's trying to deal with the aftermath of things like the wars in former Yugoslavia. It shouldn't have been allowed to happen in the first place and European Union membership is the best guarantee against that. I think the United Kingdom also believes in any case that if you've got the European Union it should be a generally European-wide union. The United Kingdom sees it very clearly as a security project.

**Would you say that the government sees it more as a project to reunite a Europe which had been divided by the Cold War and less, like the Conservatives, as an attempt to slow down the deepening of integration. Do you think this government is less interested in slowing down the deepening of any political integration in Europe?**

In any case, if anybody thinks that it would be very stupid because every enlargement has also been accompanied by deepening. Because that is the only way you can actually enlarge. So I think that argument is one which has died off with the Conservatives really. I think this government sees it very much as a security project. And also as an economic opportunity.

**Let's look on to Germany. We all know that Germany has always had special relations with the countries in Central and Eastern Europe and with Russia. Would you see a danger that Germany might become more powerful once the Central and Eastern European countries come into the European Union? Would you agree to these views about a growing sphere of influence in Central and Eastern Europe after enlargement?**

No, that might become a self-fulfilling prophecy. If other countries stop to get involved then Germany will become very influential. So it's up to other countries to get involved. Let's be blunt: Chancellor Kohl was very clear that he wanted Germany fully integrated into Europe as a way of stopping Germany from becoming dominant. And that was what the European Community was about in its origins. I don't see that, because it can move both ways. Countries could resent the influence of Germany as patronising. The side effects of the euro is of course that many countries, particularly in former Yugoslavia use the German mark as their currency. Now, in a sense that's also counting against German influence.

I don't see this as an issue, I think it's one of those sort of scare stories people have. Germany is tied up into the European area. Germany is a very big and powerful country, so it is going to have a strong influence, but the suggestion somehow that the Poles, the Hungarians and the Czechs are all going to be subservient to the Germans is rather patronising really to them because they're not really going to be. In a lot of ways they have a lot more in common with the United Kingdom government than they have with the German government. No, I don't think that this is an issue. This is a bit of a scare story that people have from time to time.

**The German Chancellor Schröder has recently announced that Germany would be opening up a new chapter in its foreign policy, meaning that he would like Germany to take over greater international responsibility. He would also like Germany to be more self-confident towards its neighbours. Do you think that this would be a good development, Germany coming back into the family of 'normal' nations?**

I think it's more for France and Germany than for anybody else. Because I know that the debate has actually been an extremely painful one in Germany, just talking to German colleagues. Clearly nobody wants to go back to the days of neutralization in Germany nor anywhere else. It's a response in fact.

The Cold War has come to an end. Therefore the security scenario which was about defending Germany or Western Germany no longer exists. And our armed forces have got to adapt to the fact that now what it's about is peacekeeping operations, peacemaking operations, firefighting operations. We've got to be mobile and Germany has got to play a role in that. It's therefore an entirely healthy situation. That Germany is involved is making its weight clear through its foreign policy. Germany does have a specific perspective on all this. In a way Germany has got to follow all this without forgetting what has been going on.

Of course we did have in Kosovo an international force with a German command. There will clearly always be a question mark in the back of people's minds but German military is under civilian control. These traditions are different. I don't really see that. I'm slightly more worried about the prospect of Prussia being revived in this Berlin saga, it probably has bad connotations for people. But, of course the reality of Prussia is that they were great reformers originally. Religious tolerance as a way of encouraging immigration. I think Germany is part of the international alliance but it's a strong country and it's got to pull its weight.

**Britain has undoubtedly become more positive in its stance towards Europe under the Labour government. There's only the difficult issue of the euro. A lot of Britain's partner's, such as Germany, have repeatedly said that if Britain isn't part of EMU it can't really be a leader in the European Union. Would you agree with that or would you say that Britain could even lead on certain issues without being part of the euro?**

They're right and wrong. There is certainly, the whole European defence agenda has changed dramatically since Tony Blair took a lead in that. That is an area of course, as a main contributor of military force and a NATO member, Britain has quite a big contribution to make on that. But ultimately it has to be recognised that in the long term if you're not in the euro, you're not part of the most important discussions. Increasingly, the general affairs Council is really the motor of the European Union, the finance ministers. There are times when we're not in the room. At the moment, of course, we've got a Chancellor of the Exchequer who has got a very high reputation and who is a very dominating sort of person. But he's not going to be round forever and the longer we're out the more, gradually, we get excluded from these main issues. Still, you can lead on the defence on maybe other areas but the core of the European Union is the euro. In spite of that, in the end you will gradually lose influence.

**When do you expect the government to announce the official outcome of the five economic tests on the euro and when do you consequently expect them to announce a public referendum? Do you think that there will be one before the next general election?**

I think the important point to bear in mind is that economic tests are very, very serious. This is not as people claim a bit of window dressing. Our problem is that there was no official preparation under the Conservatives to join the euro. And we have to be sure that joining the euro is going to be a positive thing for the United Kingdom. If it was going to be a negative thing, the whole project could be undermined.

So we can't really say when these economic tests will be met. On the other hand, my personal view is now that we have had challenge to change over to the euro, which has gone very smoothly in comparison to what others predicted, and when the Brits start going on holiday this year will start becoming familiar with the euro. If the euro is able to respond to the recession we've got at the moment and shown to be sufficiently flexible to deal with the problems of Germany, where you've got recession, the problems of Ireland, where you've still got quite a booming economy, if it shows it can deal with those things then I think by this time next year there will be clear pressure on the British government to make a decision where we're at and to go for a referendum. So I think a referendum before the next general election is more likely than not. But it does depend greatly on how the European economy goes in the next nine or ten months.

**What do you think the government has to do in order to convince the largely Eurosceptic voters on the issue. Do you think it takes especially the Prime Minister to lead on the issue?**

It will take the Prime Minister to lead on it. The most important thing is that there should be no suspicions that there is some sort of fudge on the five economic tests. In that sense, we're slightly trapped because it's almost self-fulfilling that it makes people say 'it's a fudge'. That's why it's very important, the continuing position of the Chancellor of the Exchequer is taking in public, very important. What we clearly need is leadership from the Prime Minister. If you look at the entire history of United Kingdom relations with Europe, you will see that people have been most positive towards the European Community or the European Union, when the goal was clear. People follow the lead of the government and people do often distinguish between what they like and what they think may be good for the country. And this may be well one of the issues. I think it's leadership, it's not fudging the issue and it's really what happens to the euro in the next twelve months. If it performs well, if it is seen to be on the one hand flexible, but on the other hand a serious currency, then I think the atmosphere will change. But it's not so much what the government can do on this, it's more how the euro does perform in the next twelve months.

**What, in general terms, would you see as the major changes the Labour government has introduced in its European policy, in comparison with its predecessors?**

Where do I start? You've got to understand that the British will always be slightly awkward members of the European Union. Because, the British are naturally pragmatic and very suspicious of grand ideas. And we see this in the debate about constitution. We don't have a written constitution, we make it up as we go along. Then there's countries of course, where after war, revolution or something say, 'let's start again' and have a constitution. So, different traditions.

We're also very much based on concrete. We want to know exactly what and how it's going to happen. And most importantly, we always count the costs. We are a nation of shopkeepers, after all. So we will always have this questioning attitude. However, that's very different from the negative attitude we certainly have from the Conservatives.

The real change has been the change in atmosphere, as much as anything else. So we don't see Europe constantly as the enemy. We see Europe as part of the solution and not as part of the problem. The government's been prepared to get stuck in and argue its case and recognise that some battles you win and some you lose. But you've got to keep in mind the overall vision, I mean, my favourite quote, the one I always liked is Chancellor Kohl once saying 'Europe's in Germany's interest, even when it's not in Germany's interest'. We never get to that degree, but that has been a change of mind.

The difference between 1997 and the previous Conservative period was, the first twelve months was still engagement in a confident way. Now, we've got a major person, Sir Stephen Wall, who used to be Britain's ambassador in the EU, now as the Prime Minister's advisor on Europe in the Cabinet Office. You've got a very senior British figure as European minister in Peter Hain. All these things are a sign that the government is very serious about Europe. And the other thing which is done, which has changed the mentality of the British is very simply: The British view is that you come to a summit, you argue on an issue. Of course, the continental view is very simple, you reach a decision before you even have a summit. And we had to come to terms with this. But we have now.

And you can see now, we spend a lot of time now developing relationships with other countries, sometimes controversially like between Blair and Berlusconi. And ministers are told they must do this. When they go abroad on visit, they are also expected beyond their ministerial responsibilities to actually produce a link with their sister party. So this much greater understanding for the need of building alliances than there was before.

**A lot of people argue that the Franco-German relationship, alliance, axis, however you want to call it, which has dominated the European Union for so many years, has started to, if not to disintegrate, to stutter at least and has changed the nature of the EU leadership in terms of developing it more towards a multiplicity of different alliances between various countries on certain issues, like Britain and France on defence, Britain and Germany on agriculture for example. Would you agree to this view that there has been a major change in the leadership and if so, what would this mean for Britain's role in the future?**

In part I don't agree, in part I do agree. I think the Franco-German axis will always be at the centre of the European Union, if only, to put it bluntly, because France and Germany keep each other in this bearhug and both are afraid to let go the other one. So they both need each other.

**But it has changed, hasn't it, with Germany becoming more powerful within this relationship?**

It has changed. In a sense the European Union is now much more complicated. There are many more countries in it than there were originally, with the six, which evolved around the Franco-German axis. And issues are bound to be much more complex. Military issues, with of course Germany always being described as having a weak spot on that front and there is always going to be a Franco-British push. But I think it's a mistake to claim that now the Franco-German axis would not continue to exist, because they both need it.

But of course you've got a change in personalities. Kohl and Mitterand were both products of the Second World War and what their vision was, that should never happen again. Kohl used to have to have a travel permit to go to the next village and now you go around Europe without a passport. And Mitterand was the same.

You've got different personalities. Schröder is of the newer generation and more like Blair, so that much is in common. Chirac is a bit of a (inaudible) politician to quite fit in. So is everybody else. If you have a different leader in France again, that might change the dynamics. If you have different leader in Germany, that might change the dynamics of it. I think it's partly that the European Union is now moving on to the new generation leaders, who look at Europe about value added, what does it produce for us, what does it give us, rather than emotional attachment to the European Union as a way of stopping wars. So I think all of that is part of it as well, it's not as if they're loose in their ties, it's just that the European is changing and the personalities are changing. But the Franco-German axis will be as always a bit of a dance. If France and Germany benefit from working together, they benefit. If Germany thinks it can get better advantage out of the UK, it will work with the UK and vice versa. It's a bit of a complex dance, really.

**Could you see any special areas where especially Britain and Germany could work closer together in such a more multiple European Union?**

Clearly the economy is a major area. Although we have such a different approach to economic reform, the way in which companies are structured and are taken over. But clearly on the military, where Germany has taken a different role. But really the main area is the economy,

**And in terms of reform, I mean both countries seem to have a very different approach from France...**

The problem about that is that the reality is, if you come to the reform of the Common Agricultural Policy, the real problem for this agricultural policy has actually been Germany. And the real problem in Germany is Bavaria. Because the Bavarian weekend farmers, who work for Mercedes during the week are the problem. And they've resisted before and Bavaria's got such a strong influence. And of course, if Stoiber wins the election, Bavaria will have an even stronger influence in Germany.

Although France does make a lot of noise about agricultural reform, it is in its interest to have reform, in particular in relation to its cereal production. And it needs to have better access to the world markets, not only reform within the WTO. Where I think it's changing is, Germany is now so committed to enlargement, that it's prepared to make sacrifices on the agricultural front. But now you've also got the Green agricultural minister and all the sagas about foot and mouth are now opening up a new debate about food quality and that sort of thing. I think that's changing the German position. I think if Germany's changing, then CAP reform is much more likely.

**You've already mentioned that the Prime Minister helped to initiate this Rapid Reaction Force in 1999 in co-operation with France. Do you think it should be developed in terms of really developing it into a proper Common Foreign and Security Policy. If you agree, how independent from NATO should it be?**

Again, it comes said to what I've said before. Yes it should be developed further, but at the moment we haven't developed it yet. And we are still seriously short of the capabilities required to have an effective Rapid Reaction Force. We've got more than two million people in uniform and can get less than two per cent of them into Kosovo. Again, the British point of view is very much: let's make it work and then see where that leads next. We do need, and it's accepted a European defence and security identity. We do need to take responsibility more for our own theatre. But when we talk about the independence from NATO, even if you wanted to be independent from NATO, we can't, we don't have the resources. I think that's where all the arguments are such a red herring, because even if we wanted, we couldn't.

And it will involve using NATO assets, which really means American assets. So we know that it won't be independent. We will have a greater degree of autonomy. not even autonomy, a greater ability to do things ourselves. But very much reliant on NATO. And it's not actually in our interests to have divisions with NATO, because it just becomes a security system. And NATO, new NATO, part of our strategy is including Russia as well. NATO will change, NATO is changing, but I think this point about independence is a bit of a (inadmissible).

**But France seems to want more independence...**

French rhetoric and French actions aren't always the same. And France needs to become part of the military dimension of NATO. That's part of the French approach to things, I mean is France prepared to spend the money to become independent from NATO, I don't think they will.

**The next question is connected to the security issue. Do you think that Britain sometimes goes to far in literally standing 'shoulder to shoulder' with the United States? If you think especially about the reports that there might be secret negotiations going on between America and Britain on a possible attack on Iraq. Apart from that issue, how do you think that the UK should develop its relations with America in the future, in order to, as Blair said, act as a bridge between American and European interests? Because that's definitely what Britain could provide for the European Union.**

I'm not sure 'bridge' is the right word to use on these things, but first of all, the whole of Europe stood 'shoulder to shoulder' with America on the 11<sup>th</sup> of September. If you think about the headlines that all Americans now. So it's not just that Britain does that. I think what Blair's particularly identified with Bush, you see, Clinton was very pro-European, the Bush administration are much more prickly and what he's identified is this: better end up talking to them than making outrageous statements and antagonizing them. It's better to have a dialogue there. I think he's right to do that. Basically, throwing stones at the Americans is leading nowhere.

Clearly, Iraq is another matter. We are of course involved with the Americans in policing the no-fly zones over Iraq and I've been there with the RAF and looked at it. This would be the new dimension, which I suspect would cause considerable difficulties. Negotiations go on all the time between the British and the Americans over the no-fly zone. I was in the area on September the 11<sup>th</sup> and British pilots had come under fire on that day in Iraq. So, there are issues there, but an all-out war with Iraq would cause problems with Saudi Arabia, this is an area that concerns us all. But diplomatic pressure on Iraq is to be welcomed.

**Do you think that British-American involvement in Iraq would endanger the European Union?**

It would of course cause big problems.

**Let's come back to the reform discussions. In the last few years the European Union has definitely failed to gain public support. There's this repeated talk about the democratic deficit, the lack of transparency. As a result, public support has decreased and you can especially see it in the participation of people willing to vote in the European parliament elections. Do you think that this lack of support will become a danger for the integration process a whole and what could be done to win back public support?**

It poses a danger for democracy. Full stop. And it's not just in European elections you have a decline, generally in Europe there have been declines in turnouts for the elections. And that's, as I say, is a danger to democracy. Since the Maastricht Treaty, there has been less of a democratic deficit in the European Union, much less.

**But the discussion started there, if the European Union really wanted this Maastricht Treaty.**

Yes, that started that debate. And that's what the Convention about the Future of Europe is about. And one thing I forgot to mention, that is relevant here. The European Union has no future, unless we find a way to ensure that national parliaments are closely involved. Cause part of the problem is, you see, it's very easy to blame the European Union for things. If you go and get it right they say it's because of them, if they get it wrong it's because of Europe. The same happened in national parliaments. And we've got to get national parliaments much more involved. How you do that is a difficult one. But that's what you've got to try to do.

And I think if you get national parliaments involved that will have a beneficial effect on the democratic input and democratic interest. Clearly, in the Convention we have got to try and make the European Union simpler to understand. But it's never really been that popular in a sense that what most people are concerned about are things like litter in the street or schools. The European Union is bound to set out general parameters, which are much less interesting to people, they affect people, but it's not easy for them to see how it affects them. In a sense, I often feel that if there was very high turnout in the UK in the European elections, they might be something wrong. It is a sign that it's interfering too much with people. The difficult one is, we've got to get much more involved with the national parliaments and more involved with the people in it.

**One final question on the general future of the European Union: Do you think that the European Union will inevitably develop towards a superstate with a federal government, as a result of the continuing economic integration, or do you think that it can still become a confederation of nation states, where the basic power rests with the member state governments. Would the latter be the better way?**

Again, if you wanted a superstate, you could achieve it. We're talking at the moment about 15 countries, 15 different cultures, 15 sets of a 1000 years of history and many different languages. And you can't turn that into some sort of single state. Clearly, with economic integration we end up pulling more and more in the same direction and you realise that it's actually not very good to make decisions, which go against the flow of everybody else. But still, the decisions in terms of hospitals, schools remain with the nation states.

We're having this debate between intergovernmentalism and federalism, but some of it misses the point. What we've actually got is something in between. We have some sort of supranational intergovernmentalism. Because, even when governments are taking the decisions, they are taking them in a supranational context. That is to say they agree by majority voting, or they agree even unanimously. So I get less excited about these debates, because I think what we've got is something different to what people argue about. There isn't going to be a superstate, it is still going to be based on sovereign nation states. The European Union can only do what the nation states agree to do. The only difference between the European Union and something like NATO is that we bind ourselves, once we've actually agreed on something, we actually do it.

The reality is we will get much closer and closer in terms of our thinking, how we want to co-operate, but we still remain individual nation states and you can't have a superstate. You can't. I find it impossible to concede to something operation in Brussels or wherever.

**Would it then be a positive thing to have a legally binding constitution or would it be a step towards a superstate?**

I can't quite understand this problem because all sorts of organisations have constitutions, it doesn't make them states. And in a sense we've got a legally binding constitution already, in the treaties. They are legally binding. All that may change, instead of having all these treaties, we put them altogether. I don't believe, on the other side, that you can actually have a fixed constitution, because it will always evolve and constitutions tend to change in the future. So I don't get excited about this worry about constitutions.

In a sense the European Union has grown up in the way the British believed it would do. You can never actually make the perfect structure for any problems that come up in the future and therefore I'm quite sceptical about the idea of a constitution in a sense that people believe you could finally define what is the European Union. We don't know what the problems will be in ten years time. I don't understand what's the difference, because we've got legally binding laws.

## **Appendix 8**

### **Telephone interview with Nick Clegg MEP (Liberal Democrats)**

21 March 2002

**The Convention on the Future of Europe has recently started working. If you would be a member in this Convention, what would be your recommendations in terms of institutional and procedural reform of the European Union?**

In no particular order of priority, it would be to make the purpose of the European Union more clearly understood. That of course requires agreement on what the purpose of the European Union is. I would focus most of my energy on that in order that the European Union is forced to select priorities on the number of things it is now involved in. Because in my view the European Union has lost its focus, it has become active in far too wide an area of policies, some of which are unnecessary. And it is inactive in many other areas where it should be more active.

So, for instance I think that there is a strong case, and this was indicated by Romano Prodi in the opening session of the Convention, the EU stops being active in some peripheral areas like parts of social policy, media, tourism, all that kind of stuff, in order to focus its attention on the big issues, the big strategic issues people do want answers from on the European level – the environment, macroeconomics, currency matters, foreign policy, defence, internal security and so on. I think really is to clarify what the European Union is for and to make tough choices on what the European Union should focus on in the future.

And then there's the institutional stuff – but, frankly, the mechanics are all fairly obvious, we need a bit more QMV in order that after enlargement decisions do not get paralyzed. You need a smaller streamlined European Commission. You need a much more transparent Council of Ministers. You need reforms to the EU presidency system. You need internal reforms of the European Parliament to make it a more political body. I'm personally not very keen on the idea of electing the European Commission president, because I think it would paralyse the deliberate political ambiguity of the European Commission, which is partly an executive administration and partly a political body. So most of the institutional suggestions I would make are partly related to improving the efficiency and transparency of the institutions rather than any great revolution in the way in which it's structured.

**Do you think that any of these changes would have to be made before any of those countries from CEE actually become members of the European Union?**

I think they need to be agreed before, yes.

**So they couldn't be done in the process of enlargement or afterwards, as some governments argue?**

They can be implemented, definitely. But I think they need to be agreed upon in principle before.

**Do you think it would be realistic that already by the year 2004, so by the time of the next European Parliament election takes place, the first countries from Central and Eastern Europe will become member states of the European Union? And if you think so, which countries should be part of this first group of accession candidates?**

I am not going to answer the second part of your question, because I cannot sit here and simply decapitate different countries.

I think it is absolutely essential. It may not be completely realistic in every aspect and detail of the *acquis communautaire* and how it has been adopted by different countries. This is an absolute priority, which has to be met. But I think for very good reason. There'll always be reasons why you could argue that enlargement should not take place. There'll always be reasons to say why the candidate countries are not ready. There'll always be reasons to say why the European Union is not ready. So I think it is very important that there should be a sort of guillotine at the end of this process. I think the 2004 date serves as a guillotine. But of course, it will create big problems, because it is obvious that the EU and the candidate countries won't have done all their homework for that date.

**Do you also think that there should be transitional periods for certain areas, for example the free movement of workers?**

Yes, absolutely. And there will be. I have no problem about that. That is a pragmatic response.

**We all know that Britain is a strong supporter of swift enlargement. What would you say are the UK's main interests in the process?**

Other than the honourable ones and the honourable ones are obvious, which is that these countries have been waiting for a long time, they have been very sincere in their efforts to apply, because in the past the European Union has extended its membership to countries like Greece, Portugal and Spain in order to consolidate their modernisation, exactly the same applies here. That are all the honourable answers.

The less honourable answers are that the UK has traditionally thought that by enlarging the European Union will become more amenable to its own interests and will become less introverted and less dominated by particularly French priorities and interests. I think that is probably broadly correct.

**Do you think that the present government still thinks in this traditional way, or would you say that there's a bit of a change on the issue?**

The previous Conservative administrations rather stupidly hoped that enlargement would somehow stop the European Union. That is obviously not the case. If you look at the comments from Margaret Thatcher this week, she has realized that, you know, that widening also goes together with deepening. So to that extent there has been a change, if people recognise you can't just enlarge without also deepening internally.

But, I think there is a general feeling that a wider more diverse European Union, even if the internal procedures have been deepened and reformed, will still be a more sort of Anglo-Saxon type arrangement than it presently is.

**Would you see any danger that Germany might become too powerful in an enlarged European Union, as some member states, especially France, fear?**

I see it as a fact rather than a danger. Germany is the most powerful member state. It is not really a question if it will become more powerful, it is and it will be even more. It's just a question what it does with that power.

**So you think it has to be careful not to abuse its central position in an enlarged European Union?**

I have every confidence that Germany won't abuse that position. But I also have a lot of sympathy with some German politicians, who say that Germany should not always just accept what is decided at the European level, even against its own interests. I think it is perfectly reasonable.

**So you agree with the recent stance of the Schröder government?**

I think the manner in which he is doing it is aggressive and shrill and unnecessary. But, I still think, in the long run it's probably quite a healthy corrective, yes.

**Would you also agree that, as many argue, if Britain really wants to become a leading partner, a leading member state in the European Union, as the Prime Minister always claims as his main aim in his European policy, that it is inevitable that Britain has to join Economic and Monetary Union?**

Yes, absolutely. I don't think you can be half in and half out of a club for very long.

**Do you expect the government to announce the outcome of the economic tests within this parliament or do you think this will take a longer time?**

Only Tony Blair and Gordon Brown know that and I doubt they even had a discussion with each other. I hope they will, I think they should do it more quickly, I think it would be a great blow to Tony Blair's credibility and a great blow to the United Kingdom, if we don't proceed this side of the next election. But of course, you know, it's very easy to identify many, many economic and political reasons, which could serve as excuses not to do it.

**Would you agree in general terms, as many argue, that the European Union is less dominated by the Franco-German relationship, axis, alliance, whatever you want to call it and is more dominated by short-term, issue-related alliances between different member states nowadays?**

Yes, it is, but that's principally because France and Germany do no longer know what the Franco-German alliance actually means. If France and Germany were to agree on a substantial set of objectives, I have no doubt that they would pretty well succeed.

It's not a question of other priorities or other alliances taking precedence, it's just a question of the Franco-German alliance not really being quite as focused as it used to be.

**So could this then give a more prominent role to Britain on certain issues such as economic reform and also institutional reform?**

Yes, I mean, the stuff that Blair has been doing, various papers and announcements with different member states is a very good thing. But I don't think we should exaggerate it, it doesn't amount to a great act of British leadership. Not at all. Far from it, it's more a sort of promiscuous opportunism. It's better than being utterly negative. But I don't think we should have any illusions, it's not exactly, it's not Britain playing a leading role, it's just Britain being totally promiscuous in the relationship which it builds with different countries.

**A question on the Rapid Reaction Force: Do you think it should be developed into a proper Foreign and Security Policy for the European Union and if so, how independent from NATO should it become?**

It is part of the Common Foreign Security Policy, the Rapid Reaction Force is an expression of it. I think it should be able to act independently from NATO, but obviously not do so either in conflict with NATO or if NATO's better placed to undertake action. You need to have some procedure to make sure that you first check whether NATO is able or willing to take an action before you decide whether the Rapid Reaction Force is better placed.

**Do you think that Britain sometimes goes to far, as they call it, in standing 'shoulder to shoulder' with the United States? Especially if you think about the recent reports about possible negotiations about an attack on Iraq between the United States and Britain.**

Yes, I think so. I don't think it's possible to be best friends with Europe and America at the same time. I think you do, at some level, need to make a choice. And I think Blair is living under the comfortable illusion that you can be America's closest ally in Europe and also trusted in Europe. I don't think that's right in the long run.

**So you don't think you could develop this idea of acting as a bridge between Europe and America, as a member state of the European Union?**

You can, I suppose just, but then, I think it's very difficult to act as a bridge if you do what Blair has recently been doing, which is that you seem to take such an uncritical position towards what Bush proposes to do in his fight against terrorism and in his approach towards Iraq. If you appear to be uncritical and unqualified in your support, like Blair is, then of course you lose the support and the loyalties of your colleagues in Europe. If he wants to be a bridge, I don't think he's doing it very cleverly.

**Since the Maastricht Treaty the European Union has had to face an ongoing discussion about this lack of transparency, the so-called 'democratic deficit'. And as a result, public support for European integration has not increased but has rather decreased in many member states. You can also see an obvious reluctance to participate in European parliament elections, as you know. Would you see this decline in public support as a possible danger for the European Union in general and what do you think could be done to win back public support for the integration process?**

I think it is a great, an enormous danger. And I think it's a specific danger for the European parliament. I don't see how parliament can last in the long run on an ever decreasing turnout of voters. And I think the danger is made worse by the fact that the response of many people in European Union governments, in the European Union institutions is to spend more and more time reforming the European Union. As if the extension of QMV is going to sort of make the European Union all the more interesting or more loveable to European voters.

I think it is a grave mistake, this idea that you can reform the European Union in a way that it will suddenly become more interesting and more attractive to voters. In fact, by endlessly involving ourselves in internal reform we end up making the situation worse by appearing to be introverted and by speaking a language about institutions, IGCs and conventions, these institutional battles and all that kind of stuff that the large majority of European voters simply don't recognize.

I think there's a danger in the reaction. The best recipe for the European Union to recover the standing amongst its voters is just time. We need a lot of time for European Union to get on quietly and deliberately with what it is best doing at, instead of continuously wave it under voters noses. Once we know that we've got something in the European Union that is worthwhile, which does its job properly, which deals with the issues we say instinctively belong to the European level, they don't continually want to be bothered about it. And I don't like the sight of grown men and women having very obscure arguments which they don't understand. I think there is a real danger in the constitutional and institutional restlessness of the European Union. I think it could be quite self-defeating.

## Appendix 9

### Interview with Gisela Stuart MP (Labour) at the House of Commons, London

25 July 2002

**The first question would be concerning your role as representative in the Convention on the Future of Europe: What would be the recommendations you would want the Convention to give, once it has finalized its work?**

I'm in a sort of a kind of dual position, because I'm a House of Commons rep, so clearly a representative as a national parliamentarian, but I also sit on the presidium. And I think it'd be foolish to assume that you even don't take up a much wider view of what you come up with. Very concrete, just looking at national parliaments, I think if what we come up with as national parliamentarians and it might sound a bit strange to some of the continental ones, but it's certainly the problem here that we end up starting saying – 'they' have done, instead of 'we'. And therefore what you need to strengthen is the national parliament to have a part in the EU architecture and not just only be represented by governments. And there were some people on the extremes of it, saying why have you been on a working group on the role of national parliaments? Europe is essentially run by the ministers. There's a difference. So the bottom line is that they say 'we' than 'us'. I think we hope to come up with a new treaty because I think, again, people have to know who made what decision and where, how are we going to hold them to account. And much more important is that at the moment, people have no ... they don't know how to get rid of people at the European level. They think that Europe is something that is done to them. And national parliaments, they don't like it.

**These steps towards greater transparency and reform, do you think these could be done or should be done before the first wave of accession can join the EU, or do you think this could be done afterwards or in the process of enlargement?**

Given that there's some changes, I very much welcome the Solana paper which was discussed in Seville, any change that the Council of Ministers is bringing about if it doesn't require treaty changes, go ahead. But if you consider the kind of time constraint, you shouldn't get bogged down with that. The significant thing is that all the candidate countries are there in the Convention, including Turkey. That's why I always keep stressing, I know that there's some kind of level of where they're just holding back accession negotiations, but the Commission has made it absolutely clear that these two things are completely separate. So they need to really say now how.

And some of the things, I hope, can be done without requiring future treaty changes.

**Do you think it's realistic to already bring in the first wave of accession candidates to take part in the 2004 European parliament elections, because it's now the official both of the German government and the British, do you think it's realistic?**

Well, the great skill of politics is that you push the boundaries of what's possible. I very much hope so, because I think it's important that we don't lose the momentum. And I just think we should keep aiming for that. I think there might be an almighty row in December. But I think in all parts of life when you drop an agenda there's always going to be an item to say: 'and now we're going to have a big row'.

But right now I can't really see anything which would make me think that we would fail with that.

**Which countries would you think are, now, or at least by 2004 ready to join. Which countries would you think should be part of the first group?**

I would go for the ten. All of them. I think the key is, you can't have enlargement without Poland.

**Should Turkey come it at a later stage?**

That's an interesting one. Because, if you look at the history of the EU, there's only been one stage in the past where the nature of the union changed because of an accession and that's when Britain came in. That changed the nature of the EU. Because you brought in a completely different legal system, you brought something to the table which meant it wasn't just an institution that got bigger.

The same would or will happen when Turkey comes in. Turkey is the key player who will change the nature of the union. Because again of its culture, because of the sheer map. In ten years time it could have a population larger than Germany. All the assumptions one has about QMV ...

I personally and I know that I'm probably in a minority with that view have deep misgivings about the hypocrisy to be very happy to have Turkey in NATO but ambivalent about Turkey as an EU member. If you look at the whole history of that country, ever since Attaturk clearly said, we want to be part of the West, the whole secularisation happened. I personally want them in, but I also know that there are huge hurdles. The whole issue of human rights, the Copenhagen criteria, I think, are absolutely essential. And it's not just the kind of human rights which you enshrine in statute law. There's a big question mark over the role of the army, which actually we in the West misunderstand, because it makes us feel very uncomfortable and think. I do not subscribe to the view that the army is irrelevant but the option to join the European Union needs to be a realistic one. It's the biggest driving force for a continued modernisation. So, under no circumstances say no! I'm glad they were there, I was also twice instrumental in e.g. making sure that the Turkish foreign minister is there as an observer, that he attends the meetings.

I mean, a classic thing: EPP. The motherland party would be political part of the EPP. But a member of the EPP has to subscribe to Christian values. But I also realize that I'm probably in a minority.

**In interviews with German MEPs (especially from the CSU) it always becomes obvious that they think that there's a limit to how far we should go. They prefer to define the EU as a 'Christian coalition', so it's quite interesting to work out the difference here.**

**Where would you in general see the main problems with regard to the enlargement process?**

I personally have never understood how you can widen and deepen. You can't. If you were to create a federal state, a 'United States of Europe', like you did with the United States of America, you can do it, it would become a new country. But this is the baggage of 2000+ years of history and therefore the huge tensions are going to be to respect individuals liberties, nationalities. I mean the trick to pull off, which you managed to do in the German federal structure, the Bavarians don't understand why for the Brits the word federalism is such a bogeyman. They say: I retain my individuality in that structure, where's the problem?

But what makes a federal system work is the huge transfer of resources that you've got mobility of labour and all this allows you to do it. The EU's regional policy does transfer resources, but it's 0.9 per cent of the national GDP, so it's peanuts in that sense. If you look at the United States, they do about 20% of that.

We also don't have a kind of mobility of labour. I remember recently sort of looking at the north of Prague, saying they couldn't even get work within a few kilometres.

The other real difficulty, I think, is going to be that a lot the democracies are very fragile and to suddenly impose a lot of (inadmissible), to impose the Charter of Fundamental Rights on them, you have to trim it down a bit more.

And I give you the example – if you go to Hungary and you speak to the main party politicians, I go to Hungary and I sort of say 'Where's my sister party?', I can find one, the structures are there. If I go to Latvia, and my mission was to find the same sort of sister party in Latvia, there isn't one. We have elections in October, where they expect that the majority of the votes will go to the governor of the former Latvian Central Bank. His total party manifesto is – we are not the others. At the last election you had a German who actually got the vodka and banana vote- he didn't even speak Latvian. So party structures- it's huge. You know, when we deal with the negotiations with the EU team, how many more are there – that's where the real problems are.

**Everybody knows that Britain is a strong supporter of swift enlargement – always has been – what would you define as the UK's main interests in the process. Why is it such a strong supporter?**

In the final debate on the Treaty of Nice, there's a Tory MP called Robert Jackson, who had always been extremely pro-European but who never actually stood out and voted against the Tories when it came to the crunch.

He did that for the first time. Because he said – and there's a huge sort of current here – this is about repaying historic debt. If you go to the Baltics, they will tell you that enlargement is about undoing the Molotov-Ribbentrop pact.

And for the Brits it's about bringing back into Europe countries who they've always felt rightfully belonged to Europe. Particularly if you talk about Poland and the Czech Republic – it's about redefining Europe again

**Would you agree to the general view that the Blair administration has, in contrast to the Conservative predecessors, seen enlargement more, as you said, as a process of actually reuniting Europe, rather than as a process of slowing down the deepening of political integration?**

No, he's never seen it as such. The very curious thing is, say last year, if you did a quick assessment of your EU leaders, Blair would probably come out as one of the most pro-European ones. And in terms also of having a kind of vision, having a longer view. He clearly has that, there's no doubt about it. It's very genuine and for him certainly.

To me that's the big idea, even 10-20 years ago, that has always been the big idea behind the Union, with the back against the Berlin Wall. I had to explain to my kids – what's so important about it – is to make enlargement happen.

Let's look at Germany quickly: We all know that Germany has established strong ties with Central and Eastern Europe, especially during the Ostpolitik in the 1970s. Would you share the widespread view in Britain, but also in a lot of other countries, like e.g. France, that once the EU has enlarged eastwards Germany might become too powerful, might actually dominate the whole proceedings of the EU?

This has always been the storyline, irrespective of enlargement. If you remember when Nick Ridley had to go and so on. You see, this is the classic thing: When the Berlin Wall fell and the papers are available now, I went over to Dresden for the 10 year-celebration of German reunification, everybody hailed the French as the great heroes, they were the great friends. And there were the Brits, those nasty people and the best thing was that nobody mentioned them, because everybody reminded them of Margaret Thatcher.

But the French were exactly the same. You could argue that the French bought German reunification and the price was the Deutschmark and the Bundesbank. That was the political reality of it all. So this notion that it's just the Brits, you know...

And the other thing was ... Kohl was the huge visionary, he was driving this thing through and he thought it was a price worth paying. The biggest achievement of Schröder is that he's jumped the generation. Schröder is the first post-war German Chancellor who no longer carries a chip on his shoulder and says 'careful folks, we must be careful not to upset the others – Germany is to powerful'.

And this is why I've got a real horror of Stoiber and a lot of people tend to misunderstand that – they say 'you admire Schröder, because he's a socialist' – no – it's because he's part of a new generation.

And Stoiber will turn the clock back. Schäuble, whom I really like as a person, I've met the man on a number of occasions – that's the old guard.

With regard to what the real achievements of Schröder were – there is also the change of the nationality law. Because what happened is, and again, people forget that, since 1989 it is for the first time in the entire history of the German nation that its boundaries are concurrent with its aspirations. You finally put an end to the thinking that there were bits of Germans or even Austrian Germans. Germany were the boundaries, which meant that they could really move away from defining nationality by bloodline. And you put an end to this, to me, idiotic thing where – I'm British, I no longer have a German passport. My children have that and they have a right to German passports, because of their mother's bloodline. I've lost it, it's really neither here nor there, but I can pass it on. You know, you are a citizen of that because you define yourself by its institutions and you acquire this right.

**Coming back to Britain: We've already mentioned that Britain has become more positive towards Europe under Labour, but there is still the important issue of the Single European Currency, the question of when to join. Would you agree with the view of many of Britain's partners that if Britain would decide to stay out of the Eurozone it cannot really be a leading partner, a leading nation in Europe? Because Blair has always said 'we want to be a leader in Europe', Cook in the beginning even said 'we might want to come to form a leadership triangle with France and Germany'. Would you also see this as a major hurdle or would you think that Britain could lead on other issues and then gradually work its way towards the leadership?**

The first thing is: rightly or wrongly we've committed ourselves to a referendum. I was here in '75, the last referendum. The first thing you should remember about the referendum is that to dislodge the status quo requires a very short, a very sharp and a very deep campaign. In '75, it was easier because we were asking people to stay in, so yes meant maintaining the status quo. And there you had all the opinion polls in the early stages saying 'no, it's wrong in the end', because companies like Marks&Spencers came out and said it means loss of jobs and there was an incontrovertible case. So you had two things – an incontrovertible case to say 'yes' and a 'yes' was maintaining the status quo. Here, a much much more difficult story, because we are asking to change the status quo.

On the basis of as it stands right now, where you could not make the case that it was economically better. Now it may well be shifting, but over the last seven or eight years we were sort of consistently outperforming the other European states in terms of the exchange rate and all that kind of stuff. The opposition towards the Euro on the Labour side is actually a social one. We had a debate recently within the parliamentary Labour Party just on the Euro and the opposition came from the traditional left because they thought that the Stability and Growth Pact would actually prevent us from investing in our public services. The Germans now say 'it may be unsustainable', but what you do have is, for us to say 'at one point we will' – no Prime Minister goes into a referendum if he thinks he loses.

So when people say 'when are you going to do it?', you've really got to say to them that there is no doubt a commitment that we wish to join but to find that window is going to be a fairly narrow one and then you sort of go. (INAUDIBLE) Remember, after enlargement there will be more countries outside the Eurozone than inside.

**So you think that Britain could still take on a leading role, even if the British people voted to stay outside?**

Britain will be a leading player in the European Union as long as the economy remains alright. And what is diminishing Germany's role at the moment? The economy. You need Germany, France and Britain as the engines of economic performance. And provided that these engines are occurring and producing, then you are a political player.

**What would you say have been the most important changes under this government concerning European policy, especially if you compare it to the Thatcher/Major era?**

You are starting off with a quite unequivocal commitment from the top towards Europe. There are things like incorporating the Social Charta, with regard to legislative changes. The fact that you have a ministerial committee that meets on a monthly basis, where you establish who's been to where, you really go through and say 'we establish face-to-face' contact with ministers. As a party we've got twinning arrangements with individual MPs responsible for contacts with other countries, you've got key figures. It's been all-out and genuine political engagement.

When the Convention on the future of Europe came together and I looked through the list and because I'd been on the Labour party House of Commons committee for co-ordinating with the MEPs, I could go through and there was the question of voting for the presidium, a place on the presidium there were people like Einem from Austria who said: 'it would be a distaster to have a Brit on the presidium'. But I looked through this list and half of the fellow European MPs I either knew or knew of or they knew one of my colleagues. So I could just pick up the phone and it's this sort of ... at every level a really much closer co-operation.

And the real achievement, I regard it as a real achievement. The Socialists are having a meeting at the end of August to decide on a common position for the Convention and they are coming to Birmingham. They had the choice of Greece and Italy and the South of France and Spain!

**On the question of the Franco-German alliance: Would you agree with the view of many analysts, and I personally take this view as well, that the Franco-German alliance has dramatically declined in recent years. Whereas it had been the driving force for European integration in the first three decades after the war, you now see an increasing drift between French and German interests and you rather look at rather look at short-term, issue-related alliances between various states. Would you agree that there is a new pattern of coalitions, which goes away from this dominating, bilateral relationship, controlling most of the important issues?**

Almost by definition that changed because you get larger. You can't maintain it, I mean, if you look at the original six, France and Germany were dominating and the rest were players. The Franco-German relationship started it all, assuming it would always be the core. It then changed and the way it's changing is numerically, but there will always be certain relationships which you will fall back on. I remember making a phone call to the Spanish or Portuguese health minister about some issue of cattle or something and they were very helpful. And yes, you can say, it doesn't matter, that self-interest prevails but I think that you should never forget the history... (inaudible)

Germany and France will always be very close but changing – to what extent the German children learn French and so on.

**Could you see any areas already coming up, where Britain and Germany could work more closely together?**

Economic reform. The whole Lisbon agenda, reforming the Labour market. Because what happens, and again you have to know a bit of history. There was a debate about trade in the UK, about five to ten years ago people like Will Hutton were saying, you know (inaudible). And I just say – hold on, how was Germany rebuilt? The patriarchal industrial figureheads, the small business – that was its engine. Now, these are retiring, the small ones are taking over, you get amalgamation – the world changes. It's neither good nor bad. Audi in Ingolstadt will have its (inaudible) workers drive into the Bayerischen Wald and pick up (inaudible) – that will stop because the next generation doesn't want the same life. And that's where I think we've got something important by saying, we've been there, done it, got the T-shirts.

**Do you think that the British and Germans will come together and oppose the French on CAP?**

That will all depend on the outcome of the German election because the almighty row on CAP reform is going to happen in Copenhagen. And what the German position will be we don't know.

**A look at security: the Rapid Reaction Force. Do you think that the Rapid Reaction force should be developed into a proper Common Foreign Security Policy for the European Union and if so, how independent from NATO should it be?**

When we have a little (inaudible) in the North of Marocco, although the European Common Foreign Security Policy is so highly developed, we still need agreement from Colin Powell. So it's one of those areas where it can actually get me really, really angry. And the reason why I do is because there is a lot of posturing going on. There was in the Convention an intervention by an Austrian who said: 'I refuse to give the right to the big countries to make decisions on defence, simply because of their ability to act'. And I felt like turing round, sort of saying: 'So would you say, I've got the soldiers and the tanks, but because I'm a big one, I'll ask the little ones what to do with them'.

So you know, get real here. NATO's changed much in its relationship anyway, you've now got NATO in other countries, hugely important. I mean I've attended a three day-workshop where we had about 20 of the top Russian military guys over, it was workshop explaining to them how NATO makes decisions, a huge culture change. NATO has been written off as dead too often, when they were saying, you know, the Americans, post September 11<sup>th</sup>, one lessons they've learned that you can't fight wars with allies and all that stuff. I've seen that kind of talk before. To my mind, NATO will always be the cornerstone.

What the Europeans will now have to get up to is to get real on this thing. Which is one thing – start coming up with finances, anything like in the German case, it necessary to have Bundeswehr reform but get on with it.

### **Is the end of the Wehrpflicht necessary?**

I think most of the countries are moving away from it. You need a professional army, you need to co-ordinate, so there is a real European defence policy. All the evidence shows to me that when it really comes to the crunch, Europe has not found the mechanism of having a view, no matter on which issue.

### **Do you think that the British government has found the right balance between its commitment to Europe and its relationship with America, especially if you consider the Iraq issue? Can it really act as a bridge between Europe and America without alienating the other European member states?**

I think that's the price you have to pay for it. We come back here to the issue of history as much as to geography. I've only just picked up the front page of Le Monde on Monday about Chirac supporting Putin on the issue of Kaliningrad. All this sort of thing, you know, there are the Brits and they are going off and supporting their cousins and not being good Europeans. Well, if ever there was an issue which has to be resolved on the European level than it's actually Kaliningrad as part of enlargement. What Britain's got, there is a special relationship and, as far as I'm concerned it's not the United States right or wrong. Yes, they make mistakes. And I disagree with them.

But I'm a quite unashamed Transatlanticist. If push comes to shove, the last 100 years have told me that if you're a Brit, that is the ally you rely on. The biggest mistake we could make in the wake of enlargement is if we define being European in opposition to America. I give you an example. We've got the working tax credit, which we introduced when we came into power, which introduced benefits. I remember going to this conference in 1997 and I remember somebody saying 'This is bloody Bismarck'. And I remember saying this is indeed the model of the Bismarckian state. And these kind of European or American values, the roots are largely in 17<sup>th</sup> century Europe. It is not in opposition, but at a different stage. And we would be very stupid to do that. This is where I'm not buying an opposing view that the purpose of the Union was a power bloc in opposition to one alternative route.

The last question on the democratic deficit: This has been going on for years now. Public support has declined, both for the integration process as a whole, if we look at public support for enlargement or even for the euro before it was introduced and also for the institutions. More and more people distrust the European Union institutions. What would you propose to do against such developments? Do you see it as a danger and what would your ideas be to prevent this from going on?

Surely, it's a bit hilarious when they're talking about democratic deficit. I can't remember which, I think it was one of the larger candidate countries and they said: 'Where is the democratic deficit?'. It exists? What is it? Particularly if you come from the German tradition, you've always accepted dual legitimacy, because if I'm right the German constitution says 'we, the Länder', not we the people. So, you've always accepted that there's a democratic deficit in terms of an individual mandate.

It's nonsense that the European institutions are not democratically legitimate. But what it is, people have a sense of that there is this steamroller out there, which, because it operates so much slower, which sort of grinds on relentlessly and says 'don't worry, things will only come into force in ten years time'. So it's lack of transparency and how the decisions are made. What is very important that you stop saying 'they have'. But when people quote the drop in figures it is much more a reflection that people don't have political ideas at the moment. Look at our election in 2001, we said: look at the last three years, you get a bit more in the next three years. The Tories said: we'll do the same, but it'll cost you less. The Lib Dems said: we'll do the same, but we're putting taxes up for it. So, that kind of public disengagement is more prominent when you don't have the attraction of big ideas.

**Do you think that in the European Union it's also more, it's not so important if I vote for my local MP, so I can rather go there and punish the government of the day, just to show them: I don't agree with your policies?**

And there's also, you know, *Wahlmüdigkeit*. The only thing Stoiber has to be congratulated for is that he mobilised the opposition against the Bavarian senate. But you know, to actually abolish an institution is great.

There is a natural solution to it and that is if the European Union found more of an external voice. Because when you think about it, there's a real paradox. On the one hand we say we want to bring Europe closer to the people. On the other hand we say, we want subsidiarity, decisions have to be made more at the local level.

By the same nature you could argue that at the point when Europe is closer to the people, Europe is doing something it shouldn't be doing. So what is the function of Europe? It is the big headline stuff, it is your external relations, it is the WTO, it is defence. So maybe the time has come for the whole machinery to stop and engage in some navel gazing. So that's where my theoretical solutions lie.

