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Absorption capacity: old wine in new bottles?

By Guillaume Durand and Antonio Missiroli

Background

Member States disagree over the future enlargement of the European Union. This is hardly new – or news. Nor is the fact that this issue not only causes divisions between Member States, but is also controversial within most of them and, more often than not, even within political parties.

Yet the history of the EU is one of permanent expansion, from the original six to the current 25 Member States. Bulgaria and Romania will in all likelihood join next year and, given the commitments made so far, the Union may well end up encompassing as many as 33 members (and counting) within a few years.

To date, this steady process of enlargement has gone hand in hand with deeper integration, although their precise sequencing has varied somewhat over the decades. To a certain extent, the two processes have even proved mutually reinforcing.

The December 2005 EU summit saw a revival of the long-running debate over the link between the two processes – a debate which is centred around what is now described as the Union's 'absorption capacity'.

Origins of the concept

Originally, as European Policy Forum Director Frank Vibert recently pointed out, this now much-discussed term was coined in development economics in order to indicate the objective and measurable limits on a country's ability to make effective use of capital from abroad.

The concept was first mentioned in an EU context in the Presidency Conclusions of the 21-22 June 1993 European Council – alongside the famous 'Copenhagen criteria' for accession – as "an important consideration in the general interest of both the Union and the candidate country". It was defined then as "the Union's capacity to absorb new members while maintaining the momentum of European integration".

Since then, it has been a jargon expression used to link the debate on enlargement ('widening') with the one on further integration ('deepening'). It was also implicitly applied to the ability of countries joining the EU to 'digest and consume' the structural funds they would be entitled to once they were admitted to the Union. Similar considerations also played a role in last year's negotiations on the new EU budget for 2007-13.

The concept was not, therefore, invented out of the blue by the European Commission in its 2005 enlargement strategy paper, or by Member States desperate to find a way to block any further expansion of the Union. However, the recent tense debate among EU leaders about the notion is telling – and deserves closer analysis.

Criterion or consideration?

When the European Council addressed "general questions of future enlargement" at its summit in June 2006, the general tone was much less positive than in all previous official statements.

The Presidency Conclusions "reaffirmed that it [the EU] will honour existing commitments and emphasised that every effort should be made to protect the cohesion and the effectiveness of the Union".

Recalling that "the pace of enlargement must take the Union's absorption capacity into account", the Council invited the Commission to provide – by December 2006 – "a special report on all relevant aspects pertaining to the Union's absorption capacity".

In addition, it specified that this "should also cover the issue of present and future perception of enlargement by citizens, and should take into account the need to explain the enlargement process adequately to the public within the Union".

This wording represented a carefully-crafted compromise following a somewhat arcane debate between Member States. A number of them had criticised the draft Conclusions prepared by the Austrian Presidency before the summit, which appeared to give the impression that absorption capacity was being turned into an additional formal 'criterion' for admitting new members to the EU, thus making future accessions more difficult.

The Austrian draft, in turn, had been preceded by a 'discussion paper' circulated by France which raised precisely this issue and tried to spell it out in more detail, with concrete indicators and specific procedures for assessing such capacity.

In the end, alongside much more positive statements about the overall benefits of previous enlargements, absorption capacity was described as a "consideration" that "the pace of enlargement must take into account".

This seems to imply, as argued in the European Policy Centre's report on the June 2006 summit, that only the timing and the speed, and not the substance and the openness, of the process might be affected.

Part of the problem is that the term itself is misleading. As former Swedish Prime Minister Carl Bildt recently observed, "absorbing" a Member State has never been the EU's objective – nor, for that matter, has "being absorbed" by the EU been the goal of any potential new member.

Not only does the phrase send a misleading message about what the EU is all about, it also lends itself to derision, as exemplified in an article in *The Economist* which likened the Union to "communist-era toilet paper … tougher and less absorbent than ever!"

The most regrettable consequence of this, however, is that the concept is too abstract for European citizens to see any connection between this debate and the crucial questions and challenges confronting Europe.

Yet it is hardly a coincidence that the phrase, which links the two fundamental axes of European integration – widening and deepening – has surfaced again now.

State of play

Absorption capacity is making a comeback at a time when a) doubts about further EU enlargement have grown among the European public, but b) the process itself is by no means slowing down: Bulgaria and Romania will become members soon, formal negotiations with Turkey and Croatia started in October 2005, and Macedonia was granted candidate status in December.

'Enlargement fatigue' – to quote another phrase now in common usage – has become apparent since the 2004 'big bang' when ten new Member States joined the Union at the same time. By all standards, both the process and outcome of this latest expansion of the EU have been highly successful. There may have been little enthusiasm for it across the continent, but no visible opposition came to the fore either.

The next candidates are likely to encounter stronger resistance – and sometimes downright hostility – although enlargement is by no means universally unpopular with EU citizens. Indeed, an almost absolute majority (49%) backs "further enlargement in future years".

However, support varies enormously from country to country, from Austria's 29% to Greece's 74%. With the notable exception of Greece, the ten Member States where support for the process is highest are all newcomers. Conversely, the ten least enthusiastic ones are all 'old' Member States.

A closer look at Eurobarometer opinion polls confirms that Turkey is by far the most problematic candidate. Even if it "complies with all conditions set by the EU", 48% would be opposed to its accession, with opponents outnumbering supporters in 15 Member States (and reaching 81% in Austria).

The recently-released *Transatlantic Trends* data essentially confirmed this picture, showing that the public is deeply divided on this issue across the continent.

Among other potential future members, only Albania's accession is opposed by a majority of EU citizens (a clear majority in 12 Member States). By contrast, the possible accession of Macedonia, Bosnia-Herzegovina,

Serbia and Montenegro only faces opposition in four or five Member States, while Croatia's is accepted by a majority in all but one country (Luxembourg).

In this context, the whole controversy about absorption capacity is clearly a metaphor for the underlying debate about enlargement which EU leaders, having made commitments to many potential candidates, are reluctant to have openly and publicly.

This is all the more evident as the issue has been pushed up the agenda by leaders from those countries where further enlargement is least desired: namely France, Austria and, to a lesser extent, Germany.

The legacy of the referenda

These developments are linked, in part, to the outcome of the referenda in France and the Netherlands on the EU's Constitutional Treaty.

In both countries, frustration and resentment over the lack of information and consultation on the 'big bang', coupled with fears about future enlargement, contributed to the 'No' votes – although it is impossible to determine precisely how important these factors were, among others, in turning voters against the Treaty.

More crucially perhaps, the referendum debates showed that, as French commentator Sylvie Goulard has noted, the overall *politique du fait accompli* pursued by the Union has triggered a democratic backlash: European citizens are asking themselves who is really in charge and how they can effectively control whoever it is.

As *Financial Times* columnist Quentin Peel wrote when negotiations with Turkey began: "Member States…are in a terrible bind. …They are going to fire the starting gun and then hope the whole exercise will promptly disappear into obscurity for a decade before the political spotlight returns. That is precisely the sort of behaviour that has got EU governments into such trouble with their voters already, both at national and European level."

Yet the history of European integration shows that widening and deepening do not fundamentally stand in contradiction to one another: the link between reforming the institutions and preparing the Union to welcome new members is acknowledged even by those who see absorption capacity as a mere excuse for delaying or rejecting enlargement.

After the failure of the Constitutional Treaty – the EU's latest attempt to redesign its institutions – that challenge remains unanswered.

Furthermore, for all its symbolic value, the Treaty was hardly a great leap forward in terms of deepening integration. Yes, it improved and simplified decision-making procedures, streamlined some structures and added some much-needed flexibility. But whether the proposed changes were far-reaching enough to equip the EU to cope with all future enlargements is still a moot point.

In any case, with the Constitutional Treaty stalled and enlargement on track again, the traditional link (and balance) between widening and deepening appears to have been broken.

This situation may be purely transitory but, for those convinced that enlargement is the culprit, it has provided a unique opportunity to revive the debate on absorption capacity – while France, paradoxically, now appears to be blocking both processes at the same time.

Meanwhile, some other players are trying to establish an explicit link between future enlargements and the adoption of the Constitution.

In its report on the Commission's 2005 enlargement strategy paper, for instance, the European Parliament endorses the concept of absorption capacity and bluntly states that "the stalemate in the ratification of the Treaty establishing a Constitution for Europe is preventing the Union from enhancing its absorption capacity" – a thinly-veiled message to those (in particular the United Kingdom) who have advocated further enlargement most vocally without showing much commitment to the Constitutional Treaty or any other significant reform of EU institutions.

Prospects

The debate on absorption capacity is bound to continue and intensify with the presentation of the European Commission's report on the issue in early November.

Rather than hiding behind obscure jargon, however, critics of enlargement should have the courage to make their arguments in a straightforward manner, while supporters of enlargement should have the honesty to accept that there is a link between widening and deepening, and that it is well worth debating.

Indeed, the choices made about both processes will define the future shape and scope of the Union. There is therefore no better topic to think and talk about during the current "pause for reflection". Unfortunately, neither side seems really willing to engage in a genuine

dialogue. The two main camps have become increasingly entrenched, and this perfectly legitimate debate is now marred by mutual suspicion.

The staunchest advocates of enlargement accuse their opponents of being short-sighted, backward-looking and sometimes downright racist, thereby deterring potential candidates and eventually threatening the Union itself.

This prompts dire warnings that if the Western Balkans are kept out of the EU, the region could turn into a base for trafficking and organised crime, and a haven for terrorists and Islamic fundamentalists.

Those who challenge enlargement are no less virulent. They claim to be the sole defenders of the original project of the EU's 'Founding Fathers', while accusing their opponents of being ultimately bent on wrecking the Union by making it too large to function effectively.

Finding common ground...

When these exaggerations are stripped out, both sides have a point. On the one hand, the EU is embarked on a course whereby it *will* have 30-odd members in the medium term: Bulgaria and Romania soon, then Macedonia, Croatia, Bosnia-Herzegovina, Serbia, Montenegro; possibly Albania and Kosovo at some point; and also Norway and Switzerland (and even Iceland) if and when they decide to join.

The Western Balkans' European 'identity' is beyond dispute and the other small, rich Western European countries will probably take the step one day. This reality of today and tomorrow's Union should be the basis for any sensible discussion.

On the other hand, this prospect *does* raise many issues about the institutional set-up, competences and the policies of such an 'ever wider' Union, including their budgetary underpinning. The debate is likely to be controversial, yet pragmatism should be its guiding principle.

It may well be, for instance, that Turkey will never be ready for fully-fledged membership, or that it will decide against it, but why should we presume this and foreclose negotiations by taking a 'fundamentalist' or ideological approach? And if instead, one day, Turkey is ready and willing to join, and everyone is happy to let it in, why should this not happen?

The EU should also recognise that the way enlargement has been managed in the recent past leaves considerable margin for improvement. The first problem relates to EU citizens' lack of awareness and preparedness for the admission of new members.

The second is political control over enlargement negotiations: for instance, the way in which Cyprus was taken in (as a divided island with plenty of unresolved problems) was hardly in the overarching interest of the Union.

The prospect of membership remains the EU's most effective foreign policy tool, and it should be used more effectively.

Finally, accession negotiations should be concluded only when both sides are reasonably satisfied. Needless to say, this should not pave the way for mere obstruction based on marginal issues. But the current awkward situation of Bulgaria and Romania shows that negotiations with both countries were concluded prematurely and hurriedly.

The relevant accession treaties were signed in April 2005, but their actual 'readiness' to join in January 2007 is being assessed one last time this autumn – and heavy doubts persist among both EU officials and (even more so) the general public.

...and common sense

It is clear that acceptance of any future enlargement will depend on the public's perceptions of how the EU works and on people's ability to identify with the whole project. This implies that no definition of the Union's absorption capacity – no matter how thorough and objective it aims to be – can or will be a decisive factor.

If the prevailing popular perception is that the EU does not work well (in general and in the specific), it will be very hard to sell the idea that it will work better when it gets even bigger.

It would be a disaster if decisions were eventually taken on the basis of prejudice and popular misperception. However, decisions taken behind closed doors, regardless of many Europeans' feelings and reservations, would appear dangerously illegitimate, fuelling the notion that the EU is not democratically controlled.

Whether reintroducing the obscure concept of absorption capacity was the best possible way to launch and conduct this debate remains to be seen.

Guillaume Durand is a Policy Analyst and Antonio Missiroli is Chief Policy Analyst at the European Policy Centre.

European Policy Centre ■ Résidence Palace, 155 rue de la Loi, 1040 Brussels, Belgium
Tel: + 32 (0)2 231 03 40 ■ Fax: +32 (0)2 231 07 04 ■ Email: info@theepc.be ■ Website: www.theepc.be

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