

The Newsletter of the Sussex European  
Institute

*A Jean Monnet Centre of Excellence  
A Marie Curie Research Training Centre*

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### Message from the Co-Director

The pace in SEI does not let up. First two success stories. SEI was successful in its bid to be a Marie Curie Research Training Centre. This EU Commission funded initiative will bring three doctoral students a year to SEI from universities in the EU and associated states for periods of nine months in each of the years beginning September (♦ see *Centrepages*). Second, SEI was successful in attracting funding from the EU Commission Education Directorate for a collaborative project with Erasmus University, Rotterdam and *l'Institut Francais des Relations Internationales* on Challenges to EU External Policy (♦ report on the first conference is on page 11). These two projects bring the total external funding raised by the Centre for European Political Economy to over £800,000 since its inception as a University of Sussex Centre of Excellence in 1997 (♦ see *Centrepages* for more details).

The group of 22 students on our Diploma in Contemporary European Studies have been and gone. In their twelve weeks in SEI they constituted a very real and invigorating presence both as a group and individually. The injection of their experience as young officials and business people engaged in the process of bringing the countries of central Europe into the EU sharpened everyone's perceptions of the issues at stake in this enlargement. They seemed to enjoy being here; we certainly enjoyed their presence and we hope to meet

them in Sussex again. Already some of us have seen some of them, and some of the 1999 group, in Warsaw and Budapest.

The Spring Term was also enlivened by the beginning of the process of putting together a bid for research funding on the topic of multi-level governance and competing policy regimes from the EU Commission's Fifth Framework programme. The focus will be on relations between the WTO, the EU and the citizen and the EU's role in central Europe and in the Mediterranean. This was kicked off by a conference in SEI. We now have a consortium consisting of SEI, and Sussex colleagues from Economics and the Science Policy Research Unit, and the Universities of Cambridge, London (QMW), Leiden, Leuven, Mannheim and Warsaw as well as a team from *l'Istituto Affari Internazionali* of Rome. If successful this project will take up a major part of the political economy research effort of SEI between 2001 and 2003.

SEI was also much present at the 30<sup>th</sup> anniversary conference of the University Association for Contemporary European Studies (UACES) in Budapest on 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> April. Helen Wallace made one of the keynote addresses and a panel entitled 'Towards Emerging Economic Constitutions in the EU and WTO', had papers by Peter Holmes, Henrike Müller and Lucia Quaglia (and chaired by me). This gave rise to a lively discussion, in particular around the concept of

"constitutionalisation". Other research students who presented papers on panels were Benjamin Demiere and Peter Czaga.

In the coming term the Research in Progress seminars will continue the theme of Europeanisation from the Spring Term. This has been a fertile furrow and it generated perhaps the liveliest Research Development Group of last term. We hope that this work may result in an edited book (♦ see also page 6 for an article by Paul Taggart).

Also looking ahead four upcoming conferences should be noted. First, and for the first time, there will be two student led initiatives in the summer term. MACES students will run a two-day seminar on the subject of Security and the Peripheries of Europe on 11<sup>th</sup> and 12<sup>th</sup> May. The first day will be restricted to MACES students but the second day will be open to all (♦ see page 14). The Research Students in SEI are also organising a seminar on the 20<sup>th</sup> June 2000 on the subject of Constitutionalisation and Legitimacy, the keynote speaker of which will be Professor Joseph Weiler of Harvard University (♦ see page 14).

Two other conferences to note: first a conference on the Third Way convened by Charlie Lees and scheduled for 25<sup>th</sup> and 26<sup>th</sup> May (♦ see page 14). And a conference to mark the end of the Sussex University Centre of Excellence funding for the Centre on European Political Economy, which will take place on the 6<sup>th</sup> and 7<sup>th</sup> July (♦ see *Centrepages* for more information). The programme and invitations will be issued in late May. So the Summer Term looks to be busy too.

Two issues in the wider world, which particularly attracted my attention. First the focus of the Lisbon summit on benchmarking the EU against the US in the area of the so-called new economy. This contrasted starkly with the inability of EU member states, and France in particular, to keep to their single market commitments in modernising the old economy. This has resulted in acute cross border tensions within the single market particularly in the market for corporate governance (Mannesman/Vodafone, BMW/Rover, EdF buying energy companies in the other member states). The liberalised market, which has apparently delivered such a successful new economy in the US, is still an uncomfortable companion for EU governments (not excluding the British) to live with in the old economy.

The issue of British membership of EMU has also been brought into relief by the pain inflicted on the traded sector and the manufacturing industry in particular by the high pound. At a peak of 1.7 Euro to the £ (equivalent to 3.4DM) and now 1.60, many now look back with some nostalgia to May 1997 when New Labour was elected and the DM was "only" at 2.80 to the £. This some say was the time to have joined the Euro. I'm not so sure. The widely accepted equilibrium rate for the DM at that time was 2.40 - 2.60DM (1.2 - 1.3 Euro) to sterling. So joining at 2.80 - 3.00DM looked very uncomfortable indeed. Can sterling be brought down to more comfortable levels? It is possible that buying Euros eg by using the windfall proceeds of £22bn from the auction of 3<sup>rd</sup> generation mobile phone licenses, might shift sentiment in the foreign exchange market and start sterling on a downward path towards a more sustainable rate for the traded sector. The government has rejected this ostensibly because the potential inflationary impact would require the Bank of England to put up interest rates.

The markets seem to agree and expect a further rise in interest rates as a result of the fall back in Sterling. It is arguable however that an increase in interest rates and a fall in sterling would redistribute the costs of holding down inflation more equitably between a booming non-traded sector and the traded sector.

Entering EMU at the current rate would clearly not be sensible. The real constraints however are political. The current pain, especially in the car industry, may persuade, or be used to persuade the British voter that stability, even if initially at a higher real exchange rate than comfortable (though much below the rate now) might be preferable to the current overshoot. But it is improbable that the government will risk a referendum this side of a general election. The bets must be on letting the issue drift until the second (and perhaps even the third) Labour term is safely won.

**Jim Rollo**

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## Current Issues

### Some Observations on the Illusions of Institutional Balance and the Representation of States

Helen Wallace

#### *Semantics which Conceal Substance*

The semantics of the debate about the Intergovernmental Conference (IGC) convened in 2000 to reform the institutions of the European Union (EU) deserve attention in their own right. This new IGC is set in train to deal with the Amsterdam 'left-overs', i.e. the issues from which the Heads of State or Government resiled in June 1997 in Amsterdam. A key emphasis has been put by the practitioners on concentrating discussion on these few items: the composition of the College of Commissioners, voting weights in the Council, and the possible extension of qualified majority voting (QMV). It has somehow become an accepted conventional wisdom that apparently rather technical alterations in each of these procedures could yield valuable dividends in terms of decision-making efficiency in an enlarged EU. It has also become something of a mantra in the early

phases of debate about the IGC that these limited changes can be introduced without disturbing the 'institutional balance', a phrase frequently repeated and rarely defined. It has also so far seemed clear that there is little appetite among the member governments for extensive treaty reform.

At the heart of this deliberately restrictive framing of the IGC agenda is an underlying concern about the basis on which the Member States themselves are represented in the institutional system of the EU. This is argued by the proponents of this limited set of reforms to be the key issue to be addressed, both to deal with some difficulties in the current EU15 and to cater for a future membership of 20/25/30.

But this agenda makes several conditioning assertions, in particular as regards the concept of institutional balance, the centrality of the representation of states, and the link between the tasks facing the EU and the institutional mechanisms available for performing them. Each needs to be questioned.

#### *Institutional Balance*

This is an old phrase in the practitioner discussion of institutional change in the EU. It suggests that there is a kind of accepted *status quo*, within which modifications are to be made.

Is there really a 'balance' to maintain or to disturb? If we look back over the history of the EU we can observe quite important changes over time in the relative power of different institutions and in the relationships between them. Thus, for example, by and large the European Parliament has been a 'winner' in successive IGCs, its powers now spreading way beyond those in the early institutional design. On some issues the Commission has gained in influence, and on others the Council. Almost irrespective of treaty changes the European Council has become more important as an 'agenda-setter' and as a 'conflict-resolver'.

The limited agenda for the IGC 2000 purports to address issues that are within the frame left by Maastricht and Amsterdam. This is a misleading account of what is being discussed. The focus on the composition of the College of Commissioners has been cast in terms that imply that a primary role of Commissioners is to act as in some sense representatives of 'their' Member States. This risks a confusion between the roles of the Commission and the Council,

the latter indeed having been invented to represent the Member States. It thereby also risks redefining the role of the Commission to a more subordinated and controlled institution. Some might welcome this, but it would be a major change, not a minor one, and it would most likely change the inherited balance between the institutions. In this context we should recall the French proposal to the previous 1996-97 IGC to reduce the size of the College of Commissioners to fewer than the number of Member States.

#### *The Representation of the Member States*

The debate about the relative voting weights between the Member States has been simmering since German unification in 1990 and since the last enlargement in 1995, when Austria, Finland and Sweden joined the EU. These two events jeopardised the parity between the so-called 'large' Member States and introduced three new 'small' Member States, thus throwing into question the weighting system devised for the original European Community of Six.

This awkward jostling for relative position among the larger Member States, and between the larger and the smaller, has acquired a kind of legitimacy in the face of further enlargement. The two very small southern candidates (Cyprus and Malta) and the queue of central and eastern European countries (many of them quite small) seem to make it self-evident that relative voting weights should be rearranged. Two sources of concern run through the discussion. One is that somehow or other the smaller Member States might gang up on the larger, if the procedural rules permit this. The other is that 'micro-states' could hold the system to ransom, either by withholding consent on issues subject to unanimity, or by asserting veto power on issues subject to QMV.

Of course, at least in theory, both are indeed risks within the current system. There are a few and serious cases of a smaller Member State blocking progress, though on issues which the state in question might claim as 'very important national interests'. Denmark and Greece have provided examples of this. Much more common are the cases where a large Member State has blocked progress. There are, on the other hand, no cases of smaller governments ganging up on the larger ones. The interests and preoccupations of the smaller Member

States are quite heterogeneous. Coalitions within the EU generally rally on each side of a debate a mix of larger and smaller Member States. Perhaps this would be different in an EU of 25 – perhaps.

Against this version of the system must be set an important precondition for the overall stability of the decision-making process, namely the need to engage as many Member States as possible behind any decision. It is already a problem with the QMV arrangements that some Member States (whether large or small) can have their concerns overridden by being outvoted. Such occasions do present difficulties of legitimating the relevant decision in an outvoted Member State. It is for this reason that the practice of decision-making in the EU is in practice mostly consensual rather than majoritarian. Rather few decisions eligible for QMV depend on direct voting. On the whole dissident states are accommodated, except where accommodation seriously damages the heart of the regime under negotiation. QMV may be a welcome discipline in conditioning behaviour, but this is not to be confused with explicit and regular voting. Hence the issue in terms of real politics seems rather to be whether or not a form of efficient consensus-building can be maintained in either the current EU or an enlarged EU. One key question here has to do with the way in which the representatives of the Member States are socialised into the system, and what the reassurance and trust mechanisms are.

Hence there is some grounds for questioning whether the representation of 'states' is the core issue in the terms that it is conventionally presented. We should perhaps rather be thinking about how to engage the different strands of politics from the Member States in the EU process. The language of representation of states is in crucial respects misleading. Though in terms of law it is indeed states which are represented in the Council and the European Council, in practice and in political reality it is the incumbent governments which send their representatives to Council and European Council meetings. We should recall that incumbent governments often find it politically useful to use the EU arena to establish advantage vis-à-vis other political groups in their own countries. We should also recall that there is relatively little opportunity for political groups outside government to feed views into the EU process, except by an indirect route in the European Parliament. In

some of the current EU member countries arrangements are made to build a domestic consensus on EU issues, but not in all. In those countries with adversarial systems or with wide swings in the composition of governments, there is evidence of parties outside government being alienated from the EU process – Britain is the *locus classicus* here.

Thus some attention needs to be given to what mechanisms might be developed for building a wider political base for engagement in the EU process within individual countries. Whether or not this is important for existing Member States (the British experience suggests that it might be), this is surely an important factor for the potential new Member States, the governments of which are currently negotiating for accession. It is their politics and not only their incumbent governments that need to be reassured about, and socialised into, EU multilateralism. This seems to be a precondition for cultivating a process in which the national political classes develop a sense of shared ownership of the 'European project'. The emphasis on the representation of states does not take us very far in this direction.

#### *The Wider Picture*

Institutions do not operate in a vacuum. What is lacking in the discussion about the short list of Amsterdam left-overs is a sense of what tasks need to be performed through the EU system, and what underlying principles need to be inserted or strengthened. Three different stories are interwoven in the current discussion. One is about enlargement; another is about evolving policy tasks; and a third is about variations between countries within the EU family. It is hard to make sense on the details of institutional reforms without relating them to the political and policy purposes that they have to serve.

A better starting point would be to consider in what direction the enlarged EU may be heading and to help to endow it with an institutional framework fitted to help it on the next stage of the journey. One large component of the next stage of the journey is enlargement to include over the next decade or so an unknown number of new members with very different political and economic baggage from the incumbents. A core consideration should surely be to think of a configuration for the EU that will allow the new members headroom to develop their own trajectories of

transformation and modernisation. Thus we should not seek to cramp them too much by imposing 'our' template on them. Our objective should be to maximise their chances of becoming successful members of the EU family. Thus we need to pay much more attention to their patterns of political and economic development, and to assume that they will have their own differentiated preferences – and legitimately so.

In addition we need to recognise the limits to EU 'governance'. The current system suffers from overstretch, an incapacity to deliver effectively and appropriately within the Member States (or to external partners) the policy regimes that are in principle attributed to the EU. Some of us have been making this observation since long before it became fashionable to do so! There are important respects in which the EU institutions are failing to satisfy their friends, let alone their critics. Yet criticisms can also be laid at the door of the Member States – part of the current problem has to do with the way in which national agencies import (and manipulate) EU policy regimes. Some of the transmission systems between the two arenas perform poorly. In particular we should note that a great deal (perhaps too much) rests on the way in which incumbent governments handle European policy and the weakness of the channels for informing, let alone involving, other parts of the political process in the Member States. National parliaments are at a distance from the process, which has the additional result of squeezing opposition parties out of the discussion. Local and regional levels of government are only erratically engaged, and when they are, it is often in poorly delivered spending programmes or insensitively constructed regulation.

Reform of the Council is as important as reform of the Commission. In particular the segmentation of the Council is at last being acknowledged as a key problem – one which reflects malfunctions at the national level at least as much as in Brussels. In addition the least transparent part of the process is the part that is played out before dossiers reach the ministerial level – opaque both in Brussels and in most national capitals.

The European Parliament has gained in powers, usefully putting much more pressure on the Council to explain itself more fully, but it suffers from its disjunction from the live politics of the Member States. This is one of

the hardest problems to resolve, especially in a system which is veering so much towards taking the representation of states, rather than electorates, as the core criterion for engaging politicians, and, as we noted above, especially incumbent governments.

Those national organisations that find their way to Brussels can generally get a fair hearing. The problem is the discrepancy between those who do and those who do not find their way to Brussels. Much of the debate about legitimacy and transparency stems from the unevenness of access to the EU decision-making process, relatively easy for incumbent governments and directly affected socio-economic interests, and to some extent regional authorities in cohesion countries. It is the other sections of society and politics that find access harder and for whom trust in the process is harder to achieve.

Thus, on the one hand, we need to be more specific about the different modes of policy development in the EU. Different modes of policy may need to be served by differentiated institutional arrangements. On the other hand, we need to reflect on ways of addressing some of the wider issues of building confidence in the EU process as a whole. The narrow IGC agenda is too heavy-handed to address the first concern. It is too narrowly construed to address the second concern.

### What is to be Done?

#### Some Guiding Principles

- ◆ Avoid polarising mechanisms and encourage consensus-inducing mechanisms.
- ◆ Find ways of enlarging the involvement of a wider range of national political actors in the EU process, i.e. well beyond the ministers and officials who currently predominate.
- ◆ Build trust through improving the quality of regulatory surveillance and programme delivery.
- ◆ Set clear targets for improving the performance of both the Council and the Commission, much of which depends on sustained practical endeavours.
- ◆ Recognise that many of the problems attributed to the EU institutions are problems at the country level, and locate there the search for some of the remedies.
- ◆ Resist the temptation to overspecify the institutional arrangements, since some

elasticity is needed both to facilitate experimentation in the different policy modes and to allow headroom for constructive country variations.

- ◆ Give the potential new Member States some scope for defining their own ways of building bridges to the European arena and for learning the habits of multilateralism.

◆ *'Some Observations on the Illusions of Institutional Balance and the Representation of States'* is an excerpt of a contribution to a volume to be published by EIPA, Maastricht

## Domestication and Europeanisation

Paul Taggart

The series on 'Comparing Patterns of Domestication and Europeanisation in the New Europe' was initiated in the Autumn Term with Helen Wallace's lecture, originally given as the Hans Daalder Lecture at the University of Leiden on 'The Domestication of Europe: Contrasting Experiences of EU Membership and Non-Membership'. The presentation set the framework and some of the key questions (◆ see the previous edition of Euroscope for full details). In the SEI we have attempted to frame our own contribution to what is a burgeoning field of study. During the Spring Term at SEI, the theme was taken up in a number of themed presentations nested in the Research in Progress seminar series and in a joint session of the Comparative European Politics and European Integration Research Development Groups. The aim was specifically to invite speakers who would provide national, comparative, sectoral or institutional perspectives of Domestication and Europeanisation.

The first contribution to the Research in Progress series was from Alistair Cole (University of Cardiff) whose talk on the 'Europeanisation of French Politics' started with four definitions of

Europeanisation and applied them to the French experience arguing that France best exemplifies the case of Europeanisation as a dependent variable and as policy transfer/learning. In the second country case, Karen Henderson (University of Leicester) delivered a paper on 'The European Union and Slovakia: An Exceptional or Typical Case?'. She argued that there was substantial congruence between the aims of the accession process and the aims of elites in Slovakia. Through use of public opinion data and electoral and public support for major parties, she suggested that opposition to the EU was largely correlated with support for

Meciar's nationalist agenda and that demographic factors were against his support and therefore that nationalist anti-EU sentiment would have difficulty gaining a foot-hold in government. Henderson concluded with three factors that would impact on the Slovakian accession process: elite behaviour, issue salience and bureaucratic competence. In the third of the country cases, Charles Lees (SEI) brought the focus onto Germany with a presentation 'The Red-Green Model, the *Neue Mitte* and Europeanisation: Conflicting Trends within Germany Social Democracy'. Starting from the observation that Germany is portrayed as inherently having a strong 'institutional fit' with the European-level institutions, he went on to examine how far the two models of the *Neue Mitte* as part of a wider European Social Democratic or the Red-Green experience of coalition government are in tune with Europeanisation (♦ see page 14 for further information on the conference on Social Democracy).

Returning to the theme of the effects of Europeanisation on non member-states, George Schöpflin (School of Slavonic and East European Studies) presented a paper on 'Post-Communism Under the Triple Transition: Globalisation, Europe and Democracy'. He argued that the post-communist world is undergoing three distinct processes of transition:

democratisation, European integration and globalisation. The particular difficulty is therefore for the post-communist system to reconstruct the state in the context of having states both subject to ideological collapse and to functional incapacity. The tensions between the erosion of state capacity under globalisation and the needs of democratisation mean that post-communist states will have difficulty in attaining 'proper' levels of state stabilisation and should be regarded as their own *sui generis* system - distinct from the communist legacy but as distinct from other European states.

The first of the policy sector oriented talks was given by Kenneth Dyson (University of Bradford) who talked about 'European States and the Euro'. He argued that, in attempting to explain the effect of EMU on nation-states, it is vital to disaggregate the impacts of what states do from how states do things. The main theme of his talk was that to understand EMU we need to be aware of the process as a 'macro-cultural' process with evidence of multidimensional effects on states. Evidence exists to show that EMU

- (1) hollows out states;
- (2) rescues the nation-state;
- (3) redefines the state;
- (4) reinforces national state traditions whilst also
- (5) giving states the opportunity to shake off their historical legacies.

He concluded that EMU changes properties of states by changing the way in which elites define and constitute their identities.

Francis McGowan (SEI) continued the sectoral focus with 'Europeanisation and Domestication: The Case of Competition Policy'. Beginning with conceptualisations of both Europeanisation and Domestication, he outlined the sorts of factors that would be visible for each to exist. He argued that in competition policy we have the creation of a Europeanised policy with the Commission at the hub of a network of national Competition policy

institutions. He concluded that the Commission trusts the domestication of policy in this area only because of the Europeanisation of national authorities.

The final talk was given by Les Metcalf (European Institute of Public Management), developing further the theme of the Commission's status in the New Europe. With his title 'Reforming the Commission: Innovation in European Public Management', his focus was on the current concern with reform of the Commission and he argued that Europeanisation means that the European Commission and national administrations need to see themselves as part of a network and a system. This problematises the role of the Commission as it reduces the need for and capacity to engage in traditional hierarchical, centralised executive processes. The broader implication of Metcalf's argument was that it is important that the Commission moves beyond concerns about internal efficiency to wider issues about whether it is an appropriate organisation for doing what it does.

The Research Development Group meeting took place towards the end of term and focused exclusively on conceptualising Europeanisation and on seeing how Europe has been conceptualised in the literature. Drawing on seminar presentations and articles by Claudio Radaelli, Sonia Mazey, Robert Ladrech, Christoph Knill and Dirk Lehmkuhl and Vivien Schmidt, the group explored how far it is possible to see Europeanisation as a distinct process and spent a lot of time differentiating the concept from other closely related concepts.

Three themes have emerged for me through the SEI series. The first is that it is only through a comparative approach that we can begin to fully conceptualise Europeanisation and its differential impact on sectors, institutions and nation-states. Some radically different stories about Europeanisation are attached to different

arenas as we can see by examining the contributions to the series collectively. Secondly, and partially as a response to the first theme, it is vital that notions of Europeanisation do not exclusively focus on EU member-states. The effects of European integration are brought into sharp relief when we examine the accession countries as much as when we examine the institutions that they aspire to accede to. The third theme, is that we need to consider the process of Europeanisation as a variable and to begin to conceptualise its alternatives. The domestication of European policy areas and politics or the domestication of the administration of European policies and politics constitute the other side of the Europeanisation process. To disregard this is to assume Europeanisation in theory rather than to examine its characteristics in practice.

◆ The series continues in the summer. Anyone interested in taking part or receiving further details should contact Paul Taggart (email: p.a.taggart@sussex.ac.uk).

## **The new CDU and the European Union**

Alan Mayhew

Is it possible that the German Christian Democratic Party could form a new government with their allies after the next Federal German election at the end of 2002? As late as one month ago, in early March 2000, this would have seemed an absurd idea. With the CDU in the middle of its Party Financing Scandal, with the expectation that investigations would reveal that some of the donations to the Party were given in return for political favours (the sale of the Leuna industrial complex for instance) and with the demise of the Party leader Wolfgang Schäuble, there appeared to be no possible short-term recovery for the once-dominant CDU.



Now the Party has taken the only clean way out of the mess by choosing new leaders, Angela Merkel, a 45 year old woman, a Protestant from eastern Germany, as Party President (rather than the typical CDU leader who is Catholic, from the Rheinland and male) and an even younger parliamentary leader, Friedrich Merz. This has been achieved without losing the experience of senior politicians like Schäuble and Biedenkopf. There will no doubt be trouble ahead, especially when it comes to choosing the candidate for Chancellor at the next election, but still the political situation has been transformed. The polls show the CDU closing the gap on the SPD and Angela Merkel is more popular than Chancellor Schröder. In addition the need for the Party to put its finances in order and to live less luxuriously may well leave it in a healthier situation than the SPD.

What does a revitalised CDU mean for Germany's domestic 'European' policy and what does it mean for the enlargement of the EU to central and eastern Europe? The evidence we have to go on is meagre but the 'Essen Declaration' agreed at the CDU Essen Party Conference in early April 2000 gives us some guide.

With the passing of the Kohl-Era, when the CDU was governed by politicians who had experienced the second world war and its aftermath, it is tempting to suggest that the CDU will become more interested in short-term national interests and in enhanced subsidiarity. The Essen declaration contains a clear call for more subsidiarity and less centralisation in the European Union. It asks for 'a completely new organisation of the responsibilities within the European Union and in Germany. ...For the European Union we aim at a constitutional agreement in which the responsibilities of each level (of government) are clearly defined'.

My feeling is that this is only theory! What really condemns any German Government to centralised decision-

making in the EU is Monetary Union on the one hand and the slow rate of economic reform on the other.

It is probable that without strict surveillance of national fiscal policy, there will be stability problems in EMU in the not-too-distant future. With fiscal stances (and inflation) apparently not converging further after meeting the Maastricht Criteria for joining EMU, a lack of fiscal discipline threatens eventually to lead to crisis in the EU with rising unemployment accompanied by increasing demands for fiscal transfers. Germany is likely to be the largest contributor to any increase in fiscal transfers within EMU. Germany's interest is seen to be best served therefore by supporting stronger centralised control of national fiscal deficits to avoid an increase in its financing of other members of the Monetary Union. Increased coordination of fiscal policy implies a considerable reinforcement of centralised decision-making.

The SPD/Green Government has been supporting 'tax harmonisation' in the Union and other attempts to centralise decision-making partly because it feels that the thorough reform of the economic and social systems in Germany will proceed so slowly that the State and German companies need protection from more aggressively reforming member states. What chance is there that the new CDU's approach may be different?

While Germany has the capacity to reform perhaps more rapidly and more effectively than many other countries, it is usually very slow in adopting reforms in the first place. The new leadership of the CDU is more liberal than Chancellor Kohl and his associates, and the Essen Declaration lists many of the important reforms, which still need to be undertaken. However the base of the party remains profoundly conservative and provincial and it is unlikely that reforms will be pushed through with great vigour, even with the new leadership, especially as regional

interests often dominate over national interests. The new CDU in government would probably continue to seek essentially protectionist centralised solutions to many problems at the European Union level as a response to its domestic priorities.

In external policy, the position of Germany is crucial to the future of the enlargement of the European Union to the countries of central and eastern Europe and it is therefore particularly interesting to discover whether the new CDU will change its policy. Amongst the acceding countries, the passing of the Kohl era has generally been feared because the 'new realism' of younger generations of politicians puts an end to Kohl's instinctive support for the 'reunification of Europe'. The CDU however reaffirmed at Essen that it wants to see the first accession in 2003, subject to the fulfilment of the Copenhagen conditions for accession. Nothing new here!

More significant is the appeal in the Essen declaration for a debate on the objectives and geographical limits of the European Union and of its enlargement. Here one answer is given before the debate even opens; 'the Government policy of forcefully supporting the accession of Turkey to the EU is wrong because it overstretches the integration process' says the Essen declaration. One might speculate over whether this clear reserve on Turkey's membership of the Union might also apply to certain of the countries now negotiating for accession. The CDU takes a very different position to that of the German Government.

There is little to guide us on the CDU's position on the current accession negotiations, though it is perhaps significant that agriculture and the defence of German agriculture is totally absent from the Essen declaration. The way in which the Schröder 'Green Card' initiative to bring in foreign IT specialists is linked to improved education and training in Germany is a de-escalation of the rhetoric

used in the Nordrhein-Westfalen election campaign. However it does not necessarily indicate a softening of the line on free movement of workers in the negotiations.

Finally it should be noted that the President of the *Bund der Vertriebenen* (the Organisation of people expelled from central and eastern Europe after World War II) retains a place in the Board of the CDU (*Bundesvorstand*). The Essen Party Conference also adopted a decision which includes the phrase 'each person who has been forced to leave his home and his homeland (*Heimat*) has the right of return to his home and *Heimat*'. Remembering the linking of accession to the Union and the granting of the demands of the *Vertriebenen* by the acceding states at the last federal election in 1998, this might seem rather dangerous. But it is perhaps here that the new CDU can clearly move away from the past. The new CDU generation of leaders has little reason to dwell on the grief of a generation now over 60 years old.

The new CDU, though lacking the instinctive reaction to reunite Europe derived from a personal encounter with the last world war, may judge the problems of enlargement more objectively. They are also clearly aware of the advantages of being surrounded by other Member States rather than being the eastern external frontier of the Union.

It is too early to draw anything but preliminary conclusions about how the new leadership of the CDU is likely to influence the course of European integration. While they clearly want to set certain new accents (a new constitutional division of powers for instance), they will be held back by the constraints imposed by existing EU policies. However they may well be more positive on enlargement of the Union than observers have tended to suggest. But they will suffer the same conflict between their heads and their hearts that other German parties have suffered before them: their hearts will dream of subsidiarity and decentralised

decision-making, while their heads will lead them back to agreeing to centralised EU rules which guarantee 'fair competition' and a lower financing burden for Germany. But in the longer term, a new more liberal leadership of the CDU, together with a reforming SPD, may well promise for Germany's partners in the European Union more dynamic leadership and greater capacity for economic reform and innovation.

### Research in Progress Seminars

Tuesdays 2:15-4:00 p.m.  
Room A71

#### 2 May

Domestication and Europeanisation Series:  
'Whither Europeanisation? Concept Stretching  
and Substantive Change'  
*Claudio Radaelli, University of Bradford*

#### 9 May

'At The Border of Europe: The Transcarpathian  
Region'  
*Judy Batt, University of Birmingham*

#### 16 May

'Understanding National Identity'  
*Jon Mitchell, University of Sussex*

#### 23 May

Domestication and Europeanisation Series:  
'Europeanisation, Whitehall and Devolution'  
*Martin Burch, University of Manchester*

#### 30 May

Domestication and Europeanisation Series:  
'The Europeanisation of Air Transport'  
*Hussein Kassim, Birkbeck College, University  
of London*

#### 13 June

Domestication & Europeanisation Series:  
'Cleavages and Party Systems in Central  
Europe'  
*Frances Millard, University of Essex*

#### 27 June

SEI Plenum

## Conference Reports

### Challenges for the EU External Economic Policy in the Next Decade

Carmen Cacho

The Sussex European Institute, together with the *Institut Francais des Relations Internationales* and Erasmus University in Rotterdam, organised a two-day workshop on April 13 and 14 with the title of 'Challenges for the EU External Economic Policy in the Next Decade'. The workshop was sponsored by the European Commission and forms part of a larger project that will examine the main challenges facing the external economic policy of the EU in the next decade, particularly EMU and enlargement, and the implications of enlargement for relations with the outside world. Participants came from the Department of Trade and Industry, the Foreign and Commonwealth Office, the National Economic Research Associates, the School of Slavonic and East European Studies, the Warsaw Institute of Economics, Columbia University and Sussex faculty, research students. Jim Rollo, SEI, in his introduction to the workshop, argued that enlargement of the EU will not only impact on the policy community, but also on the businesses whose activities will be affected by the external value of the Euro. Trade relations and the external value of the Euro will be the main mechanisms for the transmission of globalisation pressures on to the general population.

Pierre Jacquet, from the *Institut Francais des Relations Internationales*, addressed the issues and options for policy co-ordination in EMU in the Euro zone. He pointed out that although attention to economic policy co-ordination has increased in recent years, results have been limited. He emphasised the need to reassess the issue of economic policy co-ordination by focusing more on practical aspects and less on formal and procedural ones.

Jim Rollo followed up the theme of EMU and macroeconomic international policy co-ordination. He focused on the likely impacts of EMU on European participation in the IMF and the G7 and what this may mean for relations between the EU countries, the Euro zone members and the rest of the world.

On Friday the discussion focused on the implications of EU enlargement for the rest of the world. Machiel Rombout, from Erasmus University in Rotterdam, spoke on the impact of EU enlargement on trade flows around the world. Using a global general equilibrium model, he set out to assess the possible effects of eastern enlargement for countries left out of the EU, as well as implications of violations of WTO commitments, particularly in agriculture.

Michael Johnson, adviser on international trade policy, together with Professor Rollo considered the implications of enlargement for the EU commercial policy. The focus of the discussion was on the likely impact of liberalisation and the adoption of the customs union on the commercial relations of the enlarged EU with members of the WTO (principally the USA, Japan, Russia and China) as well as for other preferential trade arrangements that are likely to be affected by EU enlargement.

Peter Holmes and Alasdair Young considered the lessons for the global system of the EU's experience of economic integration, particularly the EU's transposition of its internal market pattern to the global market place. While representing an important lessons for the global system, both speakers argued that the unique institutional structure and the relative congruence of preferences among its members means that the EU's internal market project cannot readily be transferred to the multilateral system.

The workshop was successful in drawing up an ambitious research agenda. Further workshops will be held in July and September.

## Diploma in Contemporary European Studies

Agnieszka Biegaj

I remember my hesitation whether I should leave Poland and my career for three months to become a student again. I work for the Chief Negotiator (accession negotiations), in a very dynamic sector of Polish policy-making. I was warned that I would miss it all in Sussex and could not afford the luxury of regressing into being a student again. I am not a genuine *homo politicus* then since this turned out to be utterly untrue. First, I learned a lot. Second, there was time to contemplate, listen to new ideas and discuss them. Third, the international environment and a possibility to meet professionals from Great Britain and Central and Eastern European countries, was really refreshing. Fourth, the study visit in Brussels at the end of the programme updated me on the state of negotiations adding an invaluable, opposite-side, perspective to my understanding of the whole process. In SEI the lack of hierarchical relations that most of us experience at work highlighted my very positive experience.

DICES had a very intensive programme. We had two compulsory core courses on politics and economics of European integration, supplemented by an optional course chosen individually by students. We were given a number of presentations by British civil servants and politicians invited to SEI and we visited British ministries and European institutions. We were, much like MACES students, overloaded with reading, essays and presentations. All the time there were events to attend and interesting people to talk to. The benefits gained from the Sussex experience are many. First, my knowledge on European integration got consolidated and broadened. Second, my academic ambitions were satisfied as I found the opportunity to work on two chapters of my PhD thesis. Third, I met wonderful people: the professors and staff in SEI, my DICES group-mates, other students as well as professionals in the FCO and European institutions. The Sussex experience now translates into "side-effect" advantages in the form of friends scattered all over important institutions in Poland and Central Europe.

Many Polish and foreign ministries and agencies became more accessible due to the personal contacts, and many foreign business visits will surely be enriched by Meeting Sussex alumni. All in all, I am sure that my too short an academic adventure will in time bring even more long term benefits.

## **Forthcoming Conferences at SEI**

The 'Third Way', The 'Neue Mitte' and the 'New Alliance':

### **Competing Models of European Social Democracy**

Charles Lees

26<sup>th</sup> of May 2000

Sussex European Institute

Since the 1970s, Social Democratic parties in Europe have undergone a process of programmatic renewal. These have occurred in response to the decline in the core Social democratic vote and sharp shifts in the fortunes of different political forces. This includes a period of dominance by centre-right parties and the increasing electoral strength of other left competitors, especially Green parties that have put pressure on Social Democrats along the post-materialist or 'New Politics' dimension. This is further reinforced by the crisis of state welfarism backed by Keynesian economic management, both as a normative and descriptive model, and pressures brought about by changes in the international political economy, such as deepening European integration and globalisation. This process has taken place over different timescales in different countries, reflecting the ongoing impact of nation-specific institutions and norms and different configurations of the above factors.

In the late 1990s this process of programmatic renewal began to be framed by a number of singular political discourses developing in the European context. These discourses – such as the Third Way, the Neue Mitte and, more recently, the New Alliance – all aspire to provide a compass for Social Democratic renewal across Europe. At the

same time, they may first and foremost be the products of particular national 'traditions' of Social Democracy in the UK, Germany and France. In other words, they can be seen as the results of nation-specific strategies of adaptation to common systemic pressures. This raises questions about: the extent to which adaptive strategies vary across states; the degree to which they indicate a distinct break with established practices of politics and policy-making; the degree of potential for the 'successful' transfer of new or best practices across states.

This also raises questions that highlight the current debate about the 'Europeanisation' and 'Domesticisation' of politics and policy making in Europe (♦ see the article on Europeanisation on page 6). We start from the proposition that research to date has over-emphasised the scale and scope of the process of Europeanisation. An approach that is sensitive to different domestic patterns of politics offers the possibility for a more fruitful evaluation of the processes of integration, as well as bringing in the conceptual tools of comparative politics. What are the links between the processes of social democratic renewal in Europe and those of Europeanisation and Domesticisation?

This workshop will address one central question We ask:

- Are the Third Way, Neue Mitte and New Alliance (as well as similar strategies in other national contexts) competing models of Social Democracy, or are they nation-specific discourses intended to frame similar strategies of adaptation to internal and external systemic pressures?

For further information, contact Charles Lees ([c.s.j.lees@sussex.ac.uk](mailto:c.s.j.lees@sussex.ac.uk)) or Ulf Arvidsson ([u.o.arvidsson@sussex.ac.uk](mailto:u.o.arvidsson@sussex.ac.uk)).

## **An SEI Research Student Conference:**

### **Constitutionalisation and Legitimacy**

**20 June 2000**

Sussex European Institute

Recent developments in EU politics - increased emphasis on transgovernmental policy initiatives (see Lisbon Summit) and the use of 'soft' policy instruments, diminishing the role of the Commission, - appear to herald a change in the European policy-making modes. The Monnet method of integration is increasingly being questioned. The *acquis communautaire*, however, continues to develop. The constraints placed on the Member Governments of the EU have been described as acquiring a quasi-constitutional dimension. This growth in constraints has been accompanied by an increased debate about Europe's legitimacy gap. Similar concerns are now being raised with regard to the role and function of the World Trade Organisation.

The purpose of this conference is to assess the problems of legitimacy raised by the process of constitutionalisation in the EU and the changing mode of governance. The keynote address on 'Legitimacy, Democracy and the Emergence of a Rules-based System' will be given by Prof Joseph Weiler, Manley Hudson Professor of Law, Harvard University.

The conference is organised by SEI research students for research students, with funding from UACES. It seeks to engage students, academics and practitioners in a discussion of both the theoretical and practical elements raised by this topic. The conference will also seek to evaluate whether the lessons of European experience with rules of a constitutional kind are applicable to contemporary developments within the world economy, in particular the World Trade Organisation.

For further information, please contact Matt Browne (email [M.J.Browne@sussex.ac.uk](mailto:M.J.Browne@sussex.ac.uk)) or Henrike Müller (email: [H.Mueller@sussex.ac.uk](mailto:H.Mueller@sussex.ac.uk)).

## **Security in Europe - Instability on the Periphery?**

**A workshop organised by the Master  
Students at SEI**

**11<sup>th</sup> and 12<sup>th</sup> May 2000**

Sussex European Institute

The MACES students' initiative intends to assess the security implications of extending the border of the European Union.

There is a unique opportunity for the EU to assert its role as a major international actor by tackling the forthcoming challenges on its periphery. What can be the EU's input in the stabilisation process in these areas? In that respect it is necessary to analyse the substantially modified regional context. Moreover, attention should be paid to the plurality of actors involved and their variable capabilities. Will the EU be able to meet this new 'expectation-capability' gap?

We have chosen to focus on the Baltic and Mediterranean areas. These regions are likely to become crucial security challenges for the EU. The sensitivity of the Baltic region implies that hard and soft security issues have to be taken into account to design an effective policy with regards to every country in the region, including Russia. Many tensions exist in the south-eastern Mediterranean. It is important to know whether the Union can be a catalyst in the resolution of the Cypriot problem and to analyse the situation in the perspective of EU-Turkish relationship.

The workshop will be an opportunity to bring together academics, representatives of countries in the area and experts from international security organisations. The talks will be followed by a general discussion and exchange with the Master students.

For further information please contact Dana Purcarescu (email [dg51@hotmail.com](mailto:dg51@hotmail.com))

## SEI News

### Research Development Groups

RDGs provide a forum for faculty and research students to discuss research development in areas of common interest. They generally meet several times each term. Activities include reading groups, guest seminars and discussion of new research projects. For further information, please contact the convenors.

- ◆ *Comparative European Politics* (Paul Taggart, email p.a.taggart)
- ◆ *East Central Europe in Transition* (Aleks Szczerbiak, email a.szczerbiak))
- ◆ *European Integration* (Ulf Arvidsson, email u.o.arvidsson)
- ◆ *The Foreign And Security Policies Of The European Union* (Adrian Treacher, email a.h.treacher)
- ◆ *Nation-states, Nationhood and Citizenship in the New Europe* (Adrian Favell, email a.favell)
- ◆ *Regional Economic Development* (Adrian Smith, email a.m.smith)
- ◆ *States and Markets* (Henrike Müller email h.mueller)

## Austria and the EU: Actions, Reactions or Over-reactions?

On Tuesday 8 February, the SEI held an informal roundtable to discuss the events in Austria after the general elections and the domestic and international reactions to it. Key aspects of the debate were introduced by Sussex academics. Edward Timms of the German-Jewish Centre asked whether it is appropriate to make historical comparisons. Paul Taggart, SEI, presented his views on the nature of the Freedom Party; Helen Wallace, SEI, analysed the reaction of the member governments of the EU and the implications for EU policy-making. Matt Happold, School of Legal Studies, spoke about the principles of non-intervention in international law. The event was well-attended by students and staff and a lively discussion unfolded after the presentations.

## 'In Brief'

In January **Adrian Favell** gave talks on 'Immigrant Integration in Britain and Europe' at the University of Bristol and at the South Bank University in February. He attended the Europeanists' conference, Chicago, March 28-March 30 2000, contributing to the panel on 'Studying Europe with America in Mind: Epistemological Dilemmas for Europeanists'; The title of his paper was: 'Why can't the US be like Sweden (or Holland)? Social Policy and Inequality in the Transatlantic Mirror'. He gave a talk on 'The Europeanisation of Immigration Policy' at the University of Aarhus, Denmark, April 11. He organised the panel on 'Beyond Fortress Europe? New responses to Contemporary Population Movements in Europe: Dual Nationality, Co-development and the Effects of EU Enlargement' at the ECPR general sessions in Copenhagen on April 15-19.

**Peter Holmes**, together with Henrike Müller. Jim Rollo and Alasdair Young, organised a workshop at SEI on: 'The EU and the WTO: Multilevel Governance and Legitimacy' on 21 January. The aim of the workshop was to prepare a Framework V bid with partner institutions from other European countries. He also attended a Cabinet Office Workshop on Global Governance held at SEI on February 25. With Jim Rollo he submitted written evidence to the House of Lords, European Affairs Committee, for their enquiry on EU policy towards the WTO after Seattle and he gave oral evidence to the committee on March 7. He participated in a workshop at Chatham House on the WTO after Seattle on 16 March and on 19-22 March he gave lectures at College of Europe and a research seminar at the University of Warsaw. On Together with Henrike Müller, Jim Rollo and Alasdair Young he is currently preparing a bid for the

Commission's Framework V Research Programme.

**Charlie Lees** convened a panel on 'The Red-Green Coalition and Europe: Between Party Politics and Statecraft I & II' at the Fiftieth Anniversary Conference of the Political Studies Association, London School of Economics, April 10-12 2000, where he gave a paper on: 'Re-constituting European Social Democracy: Germany's Pivotal Role'. He is currently developing a research proposal called 'Best Practice and Policy Transfer : To What Extent are British Three-year Degrees the Model for the German Higher Education Sector?'

**Henrike Müller** together with Peter Holmes, Jim Rollo and Alasdair Young organised an SEI Workshop on 'The EU and the WTO: Multilevel Governance and Legitimacy' on 21 January. On 24 – 26 March she attended the Young Königswinter Alumni Conference where she chaired a working group on 'Political Responsibility and Changing Communities'. She attended the UACES Annual and Research Conference at Budapest on 6 – 9 April, where she gave a paper on 'Regulation by Networks: The Constitutionalisation of Norms or the Self-regulation of Regulators?'. Together with Peter Holmes, Jim Rollo and Alasdair Young she is currently preparing a bid for the Commission's Framework V Research Programme.

As part of the SEI team, **Lucia Quaglia** gave a paper at the UACES 30th Anniversary Conference and 5th Research Conference in Budapest on 6-8 April 2000. The title of her paper was: 'How and Why one Country Should Decide to Self-limit its Sovereignty: The Case of Money'.

**Jim Rollo** attended the Framework V Workshop on 21 January at SEI. On 16 February he attended a SPRU Workshop and on 17-18 Feb he was at FEMISE, Marseille. He organised a Trade & Governance Workshop, PIU, Cabinet Office on 25 February. With Peter Holmes he submitted written evidence to the House of Lords, European Affairs Committee, for their enquiry on EU policy towards the WTO after Seattle. On 16 March he participated in a RIIA WTO Workshop and on 21-22 March he travelled to

Brussels with the DICES students and for some Framework V appointments. On 23 - 24 March he was at a British Council EU Workshop, Budapest and on 28 - 29 March, together with Alasdair Young, conducted the second run of the 'BANTER' (Bananas Trade and European Rules) negotiating exercise for the Civil Service College, Sunningdale. From 30 March to 2 April he was at the Council for European Studies, Chicago and presented a paper on Enlargement and EMU. He then travelled to Washington on a research visit from 2-5 April. He participated in the UACES Research Conference, Budapest on 6/7/8 April, chairing a Sussex panel on 'Emerging Economic Constitutions of the EU and the WTO'. He then went on to the College of Europe, Warsaw from 9 - 12 April. He met with State Secretary Pietras on 11 April to discuss Polish approaches to EU membership negotiations. On 12 April he gave a seminar on Emu and Enlargement at the Warsaw School of Economics. He organised a conference at SEI on: 'Challenges to the EU's External Policy' on 13 - 14 April.

**Kazuto Suzuki** was invited to give a lecture on: 'Japanese Space Policy: Continuity and Changes' at the School of *Socio-economie de Technologie Spatiale* at *Conservatoire National de Arts et Metiers* in Paris on 8th March. On 24 March he went to Kyoto to teach at the College of Policy Science, Ritsumeikan University.

**Aleks Szczerbiak** organised and chaired the Political Studies Association Specialist Group on: 'Communist and Post-communist Politics', Annual Conference, School of Slavonic and East European Studies, University of London, 5th February.

**Paul Taggart** attended a conference on Populism at the European University Institute, Florence, Italy on 14 - 15 January. He presented a paper on 'Populism and the Pathology of Representative Politics'. On 21-24 January and 24-26 March, he travelled to University of Sarajevo, Bosnia-Herzegovina to teach Research Skills and Methods to the MA in European Studies.

**Adrian Treacher** presented a paper on recent developments in French foreign policy at the annual Political Science Association conference, London School of Economics,



April 2000. Throughout the spring term he organised a series of speakers on European security. He also took part in one week's TEMPUS teaching mobility at the Marie Curie Sklodowskiej University in Lublin, Poland, where he gave lectures on treaty and institutional reform of the EU and the foreign policy of the EU.

**Helen Wallace** has organised and attended a number of events under her ESRC 'One Europe or Several?' programme. These have included: a seminar with the Foreign and Commonwealth Office on 'Eastern Enlargement of the EU and Impacts of Eastern Neighbours' (18 January); seminars with the European Commission on 'Economic Policy Disequilibrium and EMU' (27 January) and 'Electorate Attitudes to Europe' (4 February); a workshop jointly arranged with Arena and sponsored by the British Council in Norway on 'Redefining Security? The Role of the European Union in European Security Structures' (9-10 March); and a workshop at the University of Leeds on 'Democracy and Transnational Governance in Europe' (17 March). She attended the programme's first in

a series of media training workshops for project members on 1 March. In addition to 'One Europe or Several?' activities, Helen has attended the UK Women of Europe AGM on 14 February, attended the Mannheimer Zentrum Scientific Advisory Board on 25 February, and co-chaired a Salzburg Seminar (21-29 March).

**Alasdair Young**, together with Jim Rollo, on 28-29 March conducted the second run of the 'BANTER' (Bananas Trade and European Rules) negotiating exercise for the Civil Service College's 'Insight Europe Programme,' Sunningdale.

It is with great regret that we report the death of Claire Duchon who taught for a number of years on the 'Status of Women in Europe' as part of the MACES programme.

Claire will be remembered for her engagement and enthusiasm and will be sorely missed as a part of SEI.

## SEI Publications

**David Dyker** 'The Structural Origins of the Russian Economic Crisis', Post-Communist Economies, vol.12, No.1, 2000

with Stanislaw Kubiela 'Technology and Structure in the Polish Economy under Transition', Economic Systems, vol.24, No.1, March 2000

'Economic Performance in the Transition Economies: A Comparative Perspective', Science and Public Policy, vol. 27, 2000

**Adrian Favell** and Andrew Geddes 'European Integration, Immigration and the Nation-state: Institutionalising Transnational Political Action?' Robert Schuman Centre Working Paper 1999-32. EUI: Florence, 1999

Adrian Favell (guest ed). 'Immigration Politics in Europe', Special feature in ECPR News. Spring 2000.

**Peter Holmes** Beef Hormones – A Risky Decision in Consumer Policy Review March 2000

**Jeremy Kempton**, Peter Holmes and C.Stevenson 'Globalisation of Anti-Dumping' included on Harvard Institute for International Development, Global Trade Negotiations Website

with C. Stevenson 'Agreement on the Implementation of Article VI of the GATT 1994: Practical Problems and Possible Solutions" in International Trade Law & Regulation, Vol. 6 No. 1, March 2000, Sweet & Maxwell

**Przemek Kowalski** 'Liberalizacja finansowa a oszczednosci w Polsce 1993-1999', in Liberda B. (ed.) Determinanty oszczednosci, Centre for Social and Economic Research (CASE), Reports Series, No. 28, Warsaw, Poland

**Charlie Lees** 'Reconstituting European Social Democracy: Germany's Pivotal Role' role' in German Politics vol. 9, No. 2, August, 2000.

**Jim Rollo** 'The European Union's Agenda 2000 and the New World Trade Round', in *The*

*World Trade Brief*, London, Agenda Publishing/WTO 1999

with Alasdair Smith 'The Transition to EU Membership in Eastern and Central Europe', in: The Netherlands Ministry of Finance (ed) *The Second Decade*, The Hague, sdul publishers 1999

with Alan Winters 'Domestic Regulation and Trade: Subsidiarity and Governance challenges for the WTO' *The World Economy*, April 2000, Vol 23 No 4

**Aleks Szczerbiak** 'Testing Party Models in East Central Europe: Local Party Organisation in Post-communist Poland', *Studia Polityczne*, vol 10 2000, p. 85-106

**Helen Wallace** Working paper No. 04/00 in the ESRC "One Europe or Several?" Programme entitled 'Where the Jobs will be in the United States of Europe: Networks of Value, Commodities and Regions in Europe after 1989' by A.Smith, A.Rainnie, M.Dunford, J.Hardy, R. Hudson, D.Sadler. This team has a project entitled 'Regional Economic Performance, Governance and Cohesion in an Enlarged Europe'.

**Alasdair Young** 'The Adaptation of European Foreign Economic Policy: From Rome to Seattle,' *Journal of Common Market Studies*, 38/1, March 2000, p. 93-116.

with Helen Wallace 'The Single Market: A New Approach to Policy' in Helen Wallace and Wiliam Wallace (eds), *Policy-Making in the European Union*, 4<sup>th</sup> edn., Oxford University Press

### Forthcoming

**Aleks Szczerbiak** Review of Anton Pelinka, 'Politics of the Lesser Evil: Leadership, Democracy and Jaruzelski's Poland', *Slavonic and East European Review*, April 2000, forthcoming.

Review of Jan Adam, 'Social Costs of Transition to a Market Economy in Post-Socialist Countries. The Case of Poland, the Czech Republic and Hungary.' *Europe-Asia Studies*, forthcoming

**Adrian Treacher** 'A Case of Reinvention: France and Military Intervention in the 1990s', *International Peacekeeping*, summer issue

◆ *The editor of Euroscope is Henrike Müller. All SEI-affiliated faculty, students and staff are encouraged to submit information for the 'In Brief' and 'Publications' sections of Euroscope. Longer, substantive pieces are also welcome. All items for the Autumn Term issue on disk or via email, please, to the editor (email h.mueller@sussex.ac.uk) by Monday 25 September at the latest.*

### Financial and Budgetary Implications of the Accession of Central and East European Countries to the European Union

Alan Mayhew

SEI Working Paper Nr. 33

This paper analyses some of the major financial consequences of the enlargement of the European Union to the countries of central and eastern Europe. While all the evidence suggest that the costs of enlargement for the EU-15 Member States will be clearly outweighed by the benefits accruing from that process, the budgetary implications are a major concern for many EU governments. As a reaction to these concerns the Union has proposed a medium-term financial 'perspective' which has the objective of calming those fears. The author considers that the Berlin European Council decisions on financing enlargement are unrealistically low, although the cost of enlargement to the Union is likely to be well below some of the early alarmist estimates. The paper argues that the financial constraints which accession will put on the candidate countries are far more severe. These constraints cannot be overcome solely by the transfer of resources from the Union in the form of structural funds. Successful accession will depend on the granting of generous transition regimes for process directives. But the granting of such transitional arrangements will be difficult to negotiate through the large number of interest groups active in the European Union.

## SEI Working Papers in Contemporary European Studies

The Sussex European Institute publishes Working Papers (ISSN 1350-4649) to make research results, accounts of work-in-progress and background information available to those concerned with contemporary European issues. The Institute does not express opinions of its own; the views expressed in these publications are the responsibility of the authors.

**See the SEI web site ([www.sussex.ac.uk/Units/SEI](http://www.sussex.ac.uk/Units/SEI)) for a full listing and abstracts.**

1. Vesna Bojicic and David Dyker June 1993  
*Sanctions on Serbia: Sledgehammer or Scalpel*
2. Gunther Burghardt August 1993  
*The Future for a European Foreign and Security Policy*
3. Xiudian Dai, Alan Cawson and Peter Holmes February 1994  
*Competition, Collaboration and Public Policy: A Case Study of the European HDTV Strategy*
4. Colin Crouch February 1994  
*The Future of Unemployment in Western Europe? Reconciling Demands for Flexibility, Quality and Security*
5. John Edmonds February 1994  
*Industrial Relations – Will the European Community Change Everything?*
6. Olli Rehn July 1994  
*The European Community and the Challenge of a Wider Europe*
7. Ulrich Sedelmeier October 1994  
*The EU's Association Policy towards Central Eastern Europe: Political and Economic Rationales in Conflict*
8. Mary Kaldor February 1995  
*Rethinking British Defence Policy and Its Economic Implications*
9. Alasdair Young December 1994  
*Ideas, Interests and Institutions: The Politics of Liberalisation in the EC's Road Haulage Industry*
10. Keith Richardson December 1994  
*Competitiveness in Europe: Cooperation or Conflict?*
11. Mike Hobday June 1995  
*The Technological Competence of European Semiconductor Producers*
12. Graham Avery July 1995  
*The Commission's Perspective on the Enlargement Negotiations*
13. Gerda Falkner September 1995  
*The Maastricht Protocol on Social Policy: Theory and Practice*
14. Mary Kaldor June 1995  
*Post-War Reconstruction in the Balkans*
15. Alasdair Smith, Peter Holmes, Ulrich Sedelmeier, Edward Smith, Helen Wallace and Alasdair Young March 1996  
*The European Union and Central and Eastern Europe: Pre-Accession Strategies*
16. Helen Wallace March 1996  
*From an Island off the North-West Coast of Europe*

17. Indira Konjhodzic June 1996  
*Democratic Consolidation of the Political System in Finland, 1945-1970: A Potential Model for the New States of Central and Eastern Europe?*
18. Antje Wiener and Vince Della Sala December 1996  
*Constitution Making and Citizenship Practice - Bridging the Democracy Gap in the EU?*
19. Helen Wallace and Alasdair Young December 1996  
*Balancing Public and Private Interests Under Duress*
20. S. Ran Kim April 1997  
*The Evolution of Governance and the Growth Dynamics of the Korean Semiconductor Industry*
21. Tibor Navracsics June 1997  
*A Missing Debate? Hungary and the European Union*
22. Peter Holmes with Jeremy Kempton July 1997  
*Study on the Economic and Industrial Aspects of Anti-dumping Policy (£10)*
23. Helen Wallace January 1998  
*Coming to Terms with a Larger Europe: Options for Economic Integration*
24. Mike Hobday, Alan Cawson and S. Ran Kim January 1998  
*The Pacific Asian Electronics Industries: Technology Governance and Implications for Europe*
25. Iain Begg August 1998  
*Structural Fund Reform in the Light of Enlargement*  
Centre on European Political Economy Working Paper No. 1
26. Mick Dunford and Adrian Smith August 1998  
*Trajectories of Change in Europe's Regions: Cohesion Divergence and Regional Performance*  
Centre on European Political Economy Working Paper No. 2
27. Ray Hudson August 1998  
*What Makes Economically Successful Regions in Europe Successful? Implications for Transferring Success from West to East*  
Centre on European Political Economy Working Paper No. 3
28. Adam Swain August 1998  
*Institutions and Regional Development: Evidence from Hungary and Ukraine*  
Centre on European Political Economy Working Paper No. 4
29. Alasdair Young August 1998  
*Interpretation and 'Soft Integration' in the Adaptation of the European Community's Foreign Economic Policy*  
Centre on European Political Economy Working Paper No. 5
30. Rilka Dragneva March 1999  
*Corporate Governance through Privatisation: Does Design Matter?*
31. Christopher Preston and Arkadiusz Michonski March 1999  
*Negotiating Regulatory Alignment in Central Europe: The Case of the Poland EU European Conformity Assessment Agreement*
32. Jeremy Kempton, Peter Holmes, Cliff Stevenson September 1999  
*Globalisation of Anti-Dumping and the EU*  
Centre on European Political Economy Working Paper No.6
33. Alan Mayhew March 2000  
*Financial and Budgetary Implications of the Accession of Central and East European Countries to the European Union.*

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