

The Social Aspects of Enlargement Reflections on the 2004 Cohesion Report

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On the Stages and Scales of Enlargement

The May 2004 enlargement has brought European integration to a stage where highly mixed expectations and sentiments are openly displayed. The step to be taken now is more controversial than any of its predecessors including the first enlargement of 1973. The uncertainties faced moreover reveal the impact of *scale* in societal processes – the fact that the particular spatio-temporal settings and the particular volumes will be decisive factors in determining the policy measures needed to guide the process in question.

I am not going to deny the clearly differing character of the May 2004 enlargement against those of previous enlargements. The sheer fact that integration now crosses the cold-war ideological boundary – made obsolete since 1989 as a reflection of the *global* restructuring of power constellations – underlines the difference in the very context of this enlargement. However, obvious differences can be viewed in a less dramatic light if we, for a while, forget the details and even the actual circumstances of the current enlargement. Instead it would be a worthwhile exercise to roughly sketch some details of the *process* in which the EC/EU takes in new Members.

- First, the EU has always grown poorer as new members have been admitted, either measured in terms of strict economic indicators such as the GDP/capita (e.g. the current Cohesion Countries, East German *Länder*) or with regard to the territorial predominance of vast areas subject to highest structural support (e.g. Finland, Sweden).
- Second, the EU has experienced the process of taking in Members in the midst of their recovery from totalitarian and repressive regime (Greece, Portugal, Spain).
- Third, there is nothing particularly new in debating and applying institutional precautions that leave the new Members provisionally without some advantages of the Membership.

Limitations in the free mobility of the labour force from new to old Member States or in the phasing-in periods for the efficient adoption of full industrial, agricultural or structural policy instruments may appear contradictory to the Union's ultimate aims, but this is not the first time that measures such as these have been adopted. Indeed, we need look no further than to the Mediterranean Members who, after Maastricht, became Cohesion Countries and who were subject to such phasing-in periods. Furthermore, major institutional innovations have occurred in relation to such enlargements. One of the most obvious innovations being the introduction of the European Regional Development Fund, in 1975, reflecting the UK's joining of the Common Market two years earlier, or the creation of Objective 6 status, with sparse population regarded as a disadvantage enabling the highest structural support. Similarly, it is realistic to assume that the Union as we know it will not stay institutionally intact even in the near

future as May 2004 sees it growing increasingly heterogeneous (cf. McGiffen 2001, 42).

In a certain sense Older Members are placed at the top of accumulated institutional structures, which have been designed and implemented through gradual reforms and adjustments that mark the political process honed through much 'to-ing' and 'fro-ing' at intergovernmental conferences and in the constant balancing of the Community institutions. Contrary to this continuity and constant reproduction of a common institutional basis the New Members have an essentially discontinuous institutional past that provides them with few tangible assets for shaping their new roles as EU Members. Thus, it would hardly be realistic to expect that this heterogeneous group of countries could join a Union without friction that needs to be alleviated with full implementation of some tailor-made institutional frameworks. Since the Agenda 2000 process a number of key instruments designed to do this have been set up, namely the Special Preparatory Programmes. However, the phasing-in times needed to follow the May 2004 enlargement are political necessities required by many of the Old Members, their farmers, trade unions and some industries.

Enlargement as the Reconstruction of 'European Social Space'?

Over the last ten years or so we can see a clearly visible tendency among European scholars and policymakers to identify linkages between economic performance and factors that constitute wellbeing both as an individual experience and as a goal of socially sustainable development (e.g. O'Leary 1995; Pakaslahti 2001). A politically difficult issue, the European Social Space is still far from being realised as a comprehensive concept, let alone as a policy framework (cf. Bonoli et al. 2000, 159). Yet, concern for cohesion – albeit with adjustments to make it adhere to common market conditions and Common Market competition policies – is itself a regulatory gesture. That such interference in the dynamics of European spatial development is needed reflects at least short-term market failures rather than successes in securing resource allocations capable of bringing about balanced development and straightening existing biases in the regions' performance profiles.

The 2004 Cohesion Report has been widened to the area of justice and home affairs covering for instance immigration and asylum policies. Interestingly and importantly this section also makes reference to particular regions becoming vulnerable to organised crime. The need to counteract organised crime, spreading more and more widely, with specifically targeted measures may however reflect the overall dissipation of solidarity and the waning of the cement of European societies. Yet, the threat of organised crime taking a firmer grip of the community structures is projected particularly to the nations now entering the EU, and via that link to the entire structure of an enlarged Europe. This is typical of the standard storyline in the current enlargement discourse with New Members breeding vulnerabilities and the 'Rumsfeldian Old Europe' on the verge of becoming besieged by numerous decadent pathologies.

One of the roles traditionally acted out by Central Europe in Western geopolitical discourse – where Central Europe is understood as the landmass separating Germany from Russia – is that of *cordon sanitaire*, a 'safety belt'. The concept surfaces in the guise of one of the Justice and home affairs dimensions suggested to cohesion policy: cross-border cooperation. Enlargement is seen as deepening the problem of corruption, insufficient institutional capacities, or the lack of a stable political and economic

environment. Cross-border cooperation, as one could envision, might enable the Old Europe to widen its efforts to combat these menaces to all-European stability to the territories of the New Members, confining the pathologies to the identified hotspots and thus eradicating piecemeal. The particular area of concern to the Old Europe comprises the (new) external borders and the necessary measures to block their permeability to the pathologies as described here. This is cooperative or 'Europeanised' *cordon sanitaire* thinking *par excellence*.

Of course the Cohesion Report also addresses issues of positive border-related activities with economic potential achieved through enhanced permeability. Overcoming the various hinderences to economic growth by toning down the 'frontier effect', a *de facto* cultural, linguistic and institutional barrier to interaction even in the Common Market environment remains a challenge to the Old Members themselves and as such this challenge only increases when we consider the situation pertaining between Old and New Members. Indeed, in the latter case the fact that the two country groups were for decades closed off from each other, as far as spontaneous cross-border interaction was concerned, merely widens the gap in cultural, linguistic, institutional and other fields. Empirical evidence (e.g. Karppi 1989) suggests a relationship between the degree of absoluteness of a boundary's closed character and individuals' assessments of their abilities to cope with work organisations and the overall cultural configurations on the other side of the boundary.

As such, the Cohesion Report is far from over-optimistic as far as the birth of a common European space through 'automatic' or self-organised developmental pathways is concerned. Many burgeoning issues are set to the fore requiring common policies, interventions and regulatory measures. They include the creation of Networks of Excellence within the ongoing Sixth Framework Programme of research and development as a part of a fostering of the European knowledge-based economy, as well as measures to support the development of human capital. For both, enlargement poses challenges, as they reveal major cleavages that stem from the differing capacities of technical infrastructures in the two parts of Europe but also of differences in issues such as ethnic relations or public health. One of the key issues here is the state of the public finances as regards their ability to cope with policy issues that fall into the sphere of Member States national policies but that contribute to European prosperity and welfare.

Jobs, employment and inclusion in an enlarged Europe

One of the fundamental challenges facing Europe concerns its ability to create jobs and thus to provide its citizens with employment and welfare. The Older Members have moreover already laid out a number of significant goals designed to serve these fundamental targets and that should be achieved in the near future. The Lisbon strategy envisions Europe as the world's most competitive economic region by 2010, while the 'Education and Training 2010' programme simultaneously aims to make Europe a world reference for quality in the cultural field of human resource development. In both of these cases the Member States and the actors that jointly comprise their national and regional innovation systems are prime movers. In this instance enlargement, again, with the growing heterogeneity of the Union as the intended subject of this competitiveness and capabilities drive signifies a growing workload for those whose task is to prevent the obvious widening of intra-Union cleavages.

The New Members may however face serious problems in trying to catch up with the existing practices in policy areas where national administrative capacities and agenda setting, as well as the quality of the institutions dealing with societal development are concerned. Over the last ten years much of the New Members' attempts at administrative restructuring has necessarily been guided by the need to incorporate the *acquis communautaire*, which has focused on making the legislative interface between an Applicants' national administrative processes as compatible as possible with that of the Union's. Moreover, those national regulations that remain are largely bounded by European policy frameworks, of which the competition policy is merely the most visible. However, social and labour policies, where an administration meets an individual, effectively remain within the purview of the national authorities.

Findings from research on the Old Member States suggest that regional economies that perform well in terms of high employment levels are characterised by some distinctive factors. They are generally marked by high-income levels and by shares of employment low in agriculture but high in services. Moreover, regional economies that perform well are typically run by highly qualified people. This finding naturally adds a layer of extra challenges to those already faced by the regional economies of the New Members. Their income levels are typically lower than those of the Old Members, and in many cases their employment structures are biased towards the more traditional industries with the educational standards and focus that they require. One of the eventual consequences of this, and something that has already been identified by the Commission, is that the New Members may be, in the absence of adequate human resources and of the necessary institutional bases, incapable of efficiently implementing the Structural Funds and other all-European policy frameworks.

One of the key issues here being that of social exclusion and inclusion. The phenomenon is recognisable in the Old Member States, but is particularly acute in the new entrants. The Central European ethnic tensions and minority problems have been exacerbated by the repeated historical rearrangement of borders affected by pressure from Germany, Russia, Austria and Turkey. Consequently the New Member societies can be said to have more numerous (and more decisive) inclusion/exclusion thresholds that are harder to overcome by the weaker/minority population groups. Furthermore, their sheer purpose may be to keep members of the minority groups away from the fields of societal life reserved for the national and often new ruling majorities. As a Union of democratic nations, the EU cannot accept such exclusionary practices within its territory, and must thus sharpen its tools to counteract them with European-wide social inclusion programmes. Demographic pressures and the need to recruit as much as possible of the existing European population-base moreover give a pragmatic edge to these moral obligations.

Speaking of the creation of a Social Europe and of the transfer of such models of societal governance from the Old to New Members, we can view this ultimately as a historical process. As was noted previously, many of the elements that constitute 'Social Europe' are in the hands of individual states. Thus, also the New Members have, and should have, this role just as the Older Members do. Yet, ensuring that the New Members move towards a high-income trajectory capable of converging with the Old Members' developmental path requires significant assistance, which in turn requires intervention from all of those concerned. The historical mission then for the Old Members – who are of course also the traditional 'core powers' that have composed the

great narratives of European history – is now to aim at an outcome more constructive to the Central and East European nations than ever before. In fact, all should win: the Old Members by enhancing stability in what used to be an island of instability; the New Members through mitigating tension within population groups and even nations; and Europe as a whole through the outcome of this win-win situation.

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