



CENTRE FOR EUROPEAN REFORM

# *briefing note*

## COULD A HARD CORE RUN THE ENLARGED EU?

By Heather Grabbe and Ulrike Guérot

The leaders of France, Germany and the UK meet in Berlin on February 18<sup>th</sup> to try to forge a joint agenda for the EU. The summit is partly aimed at a rapprochement between the ‘Big Three’ after Iraq. They are still patching up relations after last year’s rift, in which British Prime Minister Tony Blair supported the US-led war whereas his German and French counterparts opposed it.

But the trilateral summit is also part of an experiment in new forms of leadership for the enlarged EU. The Big Three fear that a Union with 25 member-states and an increasingly complex decision-making process could be heading for gridlock. They are therefore exploring ways of exercising joint leadership through joint projects. If Britain, France and Germany can forge an agreement on policies or appointments, such as that of the next Commission president, the other EU members are likely to follow.

Tony Blair has additional motivations to promote trilateralism. He wants to demonstrate Britain’s engagement in the EU, to show that just because the UK is outside the euro and allied with the United States does not mean that he stands on the sidelines. An alliance with Europe’s other big powers also signals to his domestic audience that the UK is part of the leadership group. The British public might then be less inclined to see the Union as being run by Germany and France and against UK interests. Like his French and German counterparts, Blair is in political trouble at home, and progress at EU level could boost the standing of all three men.

German Chancellor Gerhard Schröder and French President Jacques Chirac have also found good reason to co-operate more with Blair. Traditionally, the motor for EU initiatives has been the bilateral relationship between France and Germany. But the recent revival of this partnership has also shown its limits. France and Germany know that the EU cannot make progress with its common foreign and security policy unless the British join in. The UK’s strong military capabilities are essential to any European defence initiative. And only Blair can reassure the US that European moves in security policy or defence do not threaten the Atlantic alliance.

The idea of forming a Franco-German ‘hard core’ to lead the EU still appeals to those two countries. But in practice they have found it fiendishly difficult to identify and agree on possible areas of co-operation to fill the core with substance. Moreover, the idea of hard core has met with scepticism – and often suspicion – from other members of the Union. The small member-states resent the big countries hammering out deals without consulting them. The new members from Central and Eastern Europe are particularly afraid of the formation of any ‘club within the club’ that might exclude them from parts of European integration. The smalls are also angry that Germany and France have openly flouted agreed EU rules, such as the fiscal limits of the Stability and Growth Pact and some single market rules. They fear that the EU could be changing from a Community based on law to one where ‘might makes right’.

For all these practical difficulties, the idea of a ‘core Europe’ will not disappear. Leadership – or the lack of it – will remain a key question in the enlarged Union. Calls for a leadership group will grow louder every time the Union fails to reach an agreement on key issues, be they the EU budget, foreign policy or the constitutional treaty. But there is more to the idea of a hard core than power politics. For many in Germany and France, core Europe is the only way to achieve the kind of deeper integration they seek.

To see why the core Europe idea is likely to remain attractive but elusive, it is useful to look back at its philosophical and political origins.

## Federalist origins: From political union to core Europe

Today’s debates about core Europe draw on a long tradition of federalist thinking in France, Germany and the Benelux countries. The initial ideas on forming a core were intended to promote a political union between the countries that wanted more integration – France, Germany and the Benelux countries at that point. Many politicians in these countries were frustrated with the EU’s failure to move towards a ‘political union’ to accompany the monetary union envisaged in the 1992 Maastricht treaty. For them, political union required more than closer co-operation between member-state governments. It required a European federation, in which the European Commission would, over time, develop into a kind of government, with the European Parliament acting as its democratic check.

Neither the Maastricht treaty nor subsequent treaty revisions – those of Amsterdam and Nice – achieved the federalists’ dream. Neither did they adequately address questions of efficiency and legitimacy in an enlarging and ever more complex Union. Among the key questions discussed in consecutive inter-governmental conferences (IGCs) were: how far to extend qualified majority voting; how to reduce the number of commissioners after enlargement; and how to re-allocate the votes in the Council to reflect the populations of the member-states more accurately. The 1997 Amsterdam treaty brought some innovations, but it failed to deal with the Maastricht ‘left-overs’. Three years later, the Nice treaty actually made EU decision-making more complicated, rather than less. Meanwhile, the Union’s biggest-ever enlargement was approaching rapidly, making institutional reform more urgent and also more difficult, as member-states tried to safeguard the privileges they enjoyed prior to enlargement.

In 2002 the Union tried a new approach to reform by convening the ‘Convention on the Future of Europe’ to draw up an EU constitutional treaty. Many hoped that much-needed reforms would be easier to achieve if they bypassed reluctant national governments. In addition, the Convention had greater legitimacy because it involved a much wider section of European society. Instead of Europe’s top diplomats and heads of government deciding matters behind closed doors, the Convention held its sessions in public and it directly involved more than a hundred national and European parliamentarians, as well as governmental representatives and other groups.

The Convention produced a draft constitutional treaty that – while far from ideal – constituted a reasonable compromise on many of the key issues. Among other improvements, it foresaw a more efficient and more democratic method for decision-making, which is based on a ‘double majority’ (of EU people and votes in the Council of Ministers) rather than the complicated triple majority system of the Nice treaty. However, Poland and Spain, which stood to lose some votes in the new system, vociferously opposed it. The result was the collapse of the constitutional talks in December 2003. The EU is now heading towards enlargement without an agreed constitutional treaty.

In sum, the EU has spent 12 years trying – and failing – to make much progress towards greater efficiency and legitimacy. For committed federalists, this failure is a clear signal that the enlarging Union is unable and unwilling to move towards a ‘political union’. But even those with less ambitious objectives have become disillusioned with the EU’s inability to reform its institutions and decision-making procedures and to brace itself for new internal and external challenges. For all those disappointed Europeans, the idea of an *avant-garde* or pioneer group that might be able to provide leadership is very appealing.

But the fundamental assumptions in the debate about the core group have changed in the past ten years. Originally, core Europe was a way of achieving greater integration for the whole Union by promoting a federal structure for a few countries that would later be extended to all the rest. But now the concept is about a few countries teaming up in a permanent grouping that excludes the others. The core is no longer a way to achieve political union, but rather an alternative to a federal EU because it is clear that political union will never be achieved. The proponents of the core talk little about federal structures, and much more about Franco-German leadership on particular issues. The intentions for the project have changed: instead of the core creating a more integrated Europe, it is a way of escaping the enlarged EU if it starts to disintegrate.

In Germany, the debate about ‘*Kerneuropa*’ (core Europe) has a distinguished pedigree – but today’s concept of it is very different from the ideas put forward in the early 1990s. In 1994, two prominent Christian Democrats in Germany, Wolfgang Schäuble and Karl Lamers, published a pamphlet calling for a ‘core Europe’.<sup>1</sup> This document essentially proposed Germany’s federal model for the whole EU. But its real significance was the political message, which was the need to give the Franco-German relationship a leading role in the enlarging Union. The Schäuble-Lamers paper proposed that a ‘hard core’ group of countries based around France and Germany would co-ordinate their policies in order to lead the Union. However they did not envisage this core group establishing specific institutional arrangements beyond those already operating for the Union as a whole.

<sup>1</sup> Wolfgang Schäuble and Karl Lamers, ‘Reflections on European policy’, Bonn: CDU/CSU Group in the Bundestag, 1994.

In the 1990s, a central feature about the European debate in Germany was the conviction that there should be no monetary union without political union. In this ‘crowning theory’, the euro should be the result of a political union, not the condition for it. Monetary union supposed a federation – they thought – because the eurozone members would have to decide economic issues together in a transparent and democratic political system to avoid any one country damaging the others by running unsustainable economic policies. For the federalists, the term ‘political union’ stood for more integration in the sense of much wider use of majority voting, a smaller Commission, more powers to the European Parliament, and a reshuffling of the weighted votes in the Council to produce a better balance between smaller and larger member-states. The pre-requisite for the euro was a democratic political system for the whole EU. But a federal system was never created.

When Schäuble and Lamers published their famous paper in 1994, the driving logic was that all the countries belonging to the eurozone should ultimately form the core of the political union, because euro membership requires policy co-ordination. At that point, ‘core Europe’ was a synonym for political union. Although there were some semantic disputes, the French pursued the same idea, arguing for the establishment of a ‘*gouvernement économique*’.

By this logic, a core group that did not contain all of the eurozone would make no sense. To keep the euro and the single market functioning, all the members of the core would ultimately have to achieve the same level of political integration. In the event, 12 out of 15 EU countries joined the eurozone, so that it comprised most of the member-states, not just the committed federalists. The core group could not be the same as the euro group.<sup>2</sup> The two groups will grow further apart in the next decade, as the eurozone will widen to at least 22 countries, because the ten new EU members are not allowed – and have no wish – to stay outside it as the UK, Denmark and Sweden have done.

<sup>2</sup> See Gilles Andréani, ‘What future for federalism?’, CER essay, September 2002.

The evolution of the eurozone thus killed some of the assumptions central to the old debate about core Europe. But the recent core debate has another intellectual difference: it presupposes that a few countries would move ahead in some specific policy areas, whereas the old federalist debate saw the core as pushing the whole EU system towards more integration. Although an initial move by just a few countries might be necessary for a short period, it was supposed to pull in all of the other countries over time, the way that the Schengen zone of passport-free travel did. Lamers and Schäuble referred to this as the ‘centripetal effect’ of their hard core.

A new phase in the debate opened in 2000, when Germany's Green foreign minister, Joschka Fischer, elaborated his own vision for Europe in a speech to the Humboldt University in Berlin.<sup>3</sup> Fischer called for an *avant-garde* to lead the EU, along with a strong Commission and European Parliament. For Fischer, this group was not an ideal way forward, but rather a last resort that Germany could turn to if other countries would not take the path towards political integration that it favoured. Fischer's theme was echoed the following month by French President Jacques Chirac, who suggested creating a 'pioneer group' of countries willing to go further than the others in integration.

<sup>3</sup> Joschka Fischer, 'Vom Staatenverbund zur Föderation – Gedanken über die Finalität der europäischen Integration', speech to the Humboldt University, Berlin, May 12<sup>th</sup> 2000.

Those advocating an *avant-garde* felt vindicated after the introduction of the euro, when it became clear that both the UK and Denmark were going to stay outside the euro (and partly outside the Schengen), and again when the Swedish electorate rejected joining the eurozone in a referendum in September 2003. The reluctance of some member-states to move into new areas of integration, reasoned the French and German leaders, should be allowed to hold back those wanting to move forwards. A hard core of countries would be needed to lead continued progress in integration.

After the collapse of the constitutional talks in December 2003, Jacques Chirac called for a concrete plan for a core group. He seemed to be referring to the other four founding members of the EU allying themselves with France and Germany. But fewer and fewer issues unite these six countries, and the leaders of Luxembourg, the Netherlands and Italy rapidly dissociated themselves from the idea of a hard core. Belgium seems to be the only enthusiast for joining a core, with some interest from Hungary, the Czech Republic and Greece – hardly a cohesive group that could lead the Union. But there is no doubting the political will of Chirac and Schröder to explore new ways of leading the EU.

In the past decade, the debate about core Europe has moved away from its federalist origins. Reinforced inter-governmentalism, rather than European federalism, is at the heart of today's debate about core Europe. Its supporters think that closer co-operation between a small number of governments – led by Germany and France – is needed to keep the EU functioning and to move forward into new policy areas. However, before reaching for core Europe as a solution to the EU's current problems, its supporters should think carefully about its theoretical shortcomings and practical implications.

## Practical difficulties in making the core work

The creation of a core group to lead the Union would meet with a myriad of practical obstacles. The first issue is to decide whether the group would be formed inside or outside of the EU's existing treaty structure. The core Europe concept is different from concepts like 'enhanced co-operation', 'differentiated integration' and 'variable geometry'. These ideas assume that groups of countries team up to pursue initiatives in particular fields, but the composition of the groups varies according to their interests. They would be shifting coalitions on different issues, not a permanent hard core of countries that always acted together.

The Nice treaty contains rules for countries to set up groups to pursue 'enhanced co-operation' in a given policy area. It allows a minimum of eight countries to engage in closer policy co-ordination if their goal suits the interests of the EU as a whole, and if no member-state objects.

But the Nice treaty's rather strict stipulations have never been used in practice. The minimum number of countries required for enhanced co-operation is fairly high, although it will constitute a much smaller proportion of the member-states after the enlargement to 25. However, the requirement that non-participating countries must agree to let others ahead will remain difficult to meet in an enlarged Union. Countries generally dislike being excluded from new initiatives. Another problem with the Nice provisions for enhanced co-operation is that they do not apply to the area where a small grouping of committed member-states is most needed: in security and defence policy. Moreover, any such initiative has to serve the interests of the whole Union – an issue which is increasingly disputed between the member-states, as the divisions over the Iraq crisis and the Stability Pact have shown over the past year.

It is hard to imagine any policy initiative that would unite eight or more countries but which all the others would wish to eschew completely. Reactions from Estonia to Portugal to Chirac's call for a core Europe suggests that most EU countries would not support a substantial enhanced co-operation initiative within the EU treaties. So core Europe, if it happens, is more likely to be created outside the treaties.

What would this mean for the EU's institutions? Any hard core would essentially be an inter-governmental body operating outside the EU's established structure. But this idea makes many Germans uneasy, not least because it would aggravate the EU's democratic deficit. It would also complicate the EU's already cluttered institutional landscape. Would the core need a secretariat, as Chirac has suggested? Would this secretariat duplicate the work of the Commission? Alternatively, could the Commission act for the whole Union and the core at the same time? Would the core need a European Parliament of its own, lest it lack democratic legitimacy? And what about a budget for the core to provide resources for more ambitious projects in European policy? Given their existing fiscal problems, Germany and France are reluctant to put more money into the EU's existing budget so they would be unlikely to commit additional resources. Meanwhile, the other member-states would not want to see money diverted from the EU's budget to a core Europe initiative.

The second practical problem of core Europe would be to find policy areas in which the core's members could work more closely together. None of the EU's current major policies would really suit a core: member-states have already integrated many of their economic policies except the ones on which they are strongly divided, such as taxation. On justice and home affairs, integration could go much further, but only if member-states are willing to put the creation of European policies above highly sensitive issues in domestic policy – which they show little sign of doing at present. Paris and Berlin have recently promoted the idea of creating a European Public Prosecutor – to the consternation of many Britons. But other countries would need to buy into this idea too if that position were to have any practical effect in preventing fraud or bringing criminals to justice across the EU. It is not an idea that just two countries on their own can make work.

The key area where integration might accelerate is foreign and security policy. Here, France and Germany would need to include the UK, not only to get access to Britain's diplomatic resources and military capabilities but also because without the UK a foreign and security policy venture would lack political credibility. This credibility was acutely lacking when France, Germany, Belgium and Luxembourg agreed on closer co-operation on defence planning at their 'chocolate summit' in April 2003, at the height of Europe's divisions over Iraq. It was only when the UK got involved in June that the venture became serious. Britain is not only one of the EU's two serious military powers, it is also the only member-state that can gain essential backing from the US for any defence undertaking

The UK's involvement turned the core defence initiative into a project that the whole EU could support. The trilateral initiative of the UK, France and Germany on Iran was also a success, when the three countries' foreign ministers visited Teheran and persuaded the government there to co-operate with International Atomic Energy Agency inspections. Further meetings are planned. But these foreign policy initiatives would be much more effective in uniting the EU behind a common stance if the Big Three involved Javier Solana, the EU's High Representative for foreign policy.

In the longer term, the other large members – Spain, Italy and Poland – will insist on being included in such foreign policy initiatives. They have already complained about the trilateral meeting on February 18<sup>th</sup>. These countries would be strongly opposed to any development that makes the Big Three look like an exclusive club. Yet if the Big Three were to become a Big Six, this would further deepen the growing cleavage between the smaller and the larger member-states. It is the smaller countries that are most enthusiastic about a common EU foreign and security policy because they carry little weight in world affairs if they act on their own.

The third practical problem of core Europe is that even if France and Germany could find major policy areas to fill the core with substance, they would find it hard to establish agreement within these policy areas. Both countries want to strengthen European defence, but Germany is cutting its defence spending.

Both France and Germany would like to boost the EU's foreign policy role, but France no longer supports Germany's call for majority voting on foreign policy. On asylum and migration policies, the two countries' interior ministers have quite different approaches, and progress in other areas of justice and home affairs has been slow.

Most fundamentally, France and Germany do not have a common view on the most important project for the next future of the EU – further enlargement and its costs. Nor do they necessarily have a common approach as regards the future EU's geo-strategic role, including the pressing question of the Turkish EU membership.

The core concept thus lacks the policy substance to sustain it. The enlarged EU will rely on small groups of countries to pursue particular initiatives in selected policy areas. But the most likely pattern is that other countries will then sign up to the initiative, once they have understood how it works and how it can benefit them or the EU as a whole. Policy initiatives that remain exclusive to two or three countries are likely to be the exception rather than the rule.

But the idea of core Europe has another purpose beyond policy initiatives. For France and Germany, it is symbolically important to their ideas of their own roles in Europe and their special relationship. That is the enduring political appeal of the idea that is likely to keep it going after enlargement.

### The Franco-German union: symbolic but little substance

The resolve of the two countries and the political drive to deepen their relationship from the top of both governments are firm. But the new Franco-German agenda is essentially bilateral. The resolutions made on the occasion of the 40<sup>th</sup> anniversary of the Elysée Treaty in January 2003 are concerned with closer co-operation in policy areas ranging from education, research and industrial policy to bio-technology. Berlin and Paris have set up two general secretariats to manage the relationship, the French one led by Europe Minister Noelle Lenoir, and the German one by State Secretary Hans-Martin Bury. These secretariats were established to enhance political co-operation and to allow closer co-ordination of the two countries' political cabinets and their parliaments.

Most of their work lies in areas of domestic policy: culture, media, sport and education, for example. Not many countries would join them in these areas at EU level, and they are unlikely to attract major political attention as key issues for the whole Union. In addition, the two countries are having difficulty maintaining the financial underpinning for their bilingual language teaching and youth-exchange programmes. Both countries are unwilling to spend more on making the Franco-German union a reality among the children who are supposed to live out the dream.

The immediate plans for a 'Franco-German union' need not ring alarm-bells in the rest of Europe. For the moment, they are no more than a means of expressing the two countries' commitment to work more closely together. But where will the proposed bilateral union go in future? Will it have implications for the rest of the EU? This is very hard to foretell because neither country has a clear idea of what it might lead to. More symbolic moves are likely: France may offer to represent German views under the auspices of its permanent seat in the UN Security Council. That would represent a major concession by France, which has always resisted the German idea of a European seat in the Security Council. A more realistic idea is for France and Germany to merge their seats in the IMF, with the idea that other countries follow and ultimately create an EU representation.

## The Franco-German partnership: an engine without carriages ...?

The close partnership between France and Germany has traditionally acted as the engine for European integration. But its role in the future EU is uncertain. Fewer EU countries are now willing to be dragged along by the Franco-German engine, often because they do not like the direction in which the duo is moving. Moreover, the Franco-German partnership has become less of a motor and more of a brake in the past two years, as the two countries have united to block reforms rather than to promote new ideas.

Throughout the history of European integration, agreement between France and Germany was both the necessary and the sufficient condition for progress. It is still a necessary condition, because these two countries constitute a critical mass in the Union, especially the enlarged one with its increased risk of deadlock. Although Franco-German agreement may no longer suffice to ensure that the enlarged EU moves ahead in a particular direction, their united opposition could still block any project.

Berlin and Paris are losing their capacity to steer the EU because other member-states do not back their policy preferences. This was particularly evident during the Iraq crisis, when Franco-German opposition to US military action split the Union in two. Many concluded that France and Germany should not be relied upon to shape the EU's relationship with the US.

More broadly, fewer EU countries now believe that the Franco-German partnership will act in the interest of the wider Union. Several Franco-German initiatives in the past 18 months were evidently in the self-interest of these two countries. In October 2002, Berlin and Paris united to block reductions in the size of the EU's agriculture budget after 2006 – a deal very much in the interest of France, which benefits handsomely from the common agricultural policy. And when both countries failed to bring their budget deficits back in line with the limits of the Stability and Growth pact, they teamed up to persuade their fellow EU members to suspend the Pact's sanctions mechanism.

### ... or a serious risk to the EU?

The recent behaviour of the Franco-German duo has created mistrust and resentment among the other EU member-states. They suspect that France and Germany believe that because they were the trail-blazers for European integration in the past, they can now behave in ways that other EU members cannot. The other member-states also resent the tone in which France and Germany have communicated their decisions to the rest of the Union. And they think that Germany and France are willing to risk their relations with other EU countries for the sake of keeping their bilateral ties strong. Germany appears to have abandoned its traditional role as advocate of the EU's smaller countries, and its once intense consultation with the smalls – especially the Benelux countries – has waned. France, meanwhile, has made few friends among the new member-states. The East Europeans are wary of France's lukewarm support for enlargement and they are still angry about President Chirac's comments in 2003 that they were badly brought up and missed a good opportunity to shut up over Iraq. If such behaviour continues, it will not only dampen any enthusiasm for a leadership group, but it might even provoke the formation of a resentful counter-alliance among the small and new members.

The future architecture of the EU depends greatly on Germany. As the EU's largest member, Germany has always played a bridging role, between Europe and the US, and between France and the rest of the EU. Germany has also served as a strong link to Central and Eastern Europe because of its geographical position, and it has long tried to bring together the larger and smaller member-states in the Union.

If Germany now abandons all of these bridging functions for the sake of sticking closely with France, it could imperil the whole European architecture. European integration was always intended to domesticate the German hegemon. If core Europe substitutes the German hegemon with a Franco-German one, the whole European political order could be at risk.

In order to make European compromises work, France needs to reconcile itself with the new members, and Germany needs to regain the backing of the US. Berlin has to resume its mediating role between Paris and Washington, lest all the other countries, from Poland to Italy, view Germany's moves constantly with suspicion. If Germany were ever to take a Gaullist approach towards the transatlantic relationship, it would split both the EU and the Atlantic alliance.

### Could the tandem become a tricycle?

The UK may hope to avert the dangers that emanate from an inward-looking and defensive Franco-German partnership by turning the duo into a trio. Whether the UK succeeds in this will in large part depend on whether the three countries can find enough substantive questions on which they agree. The problems that France and Germany have encountered in finding areas for closer co-operation apply equally to the Big Three. None of the items on the trilateral agenda look promising as a basis for a grand European project. On economic reform and competitiveness, the Union already has plenty of initiatives. Chancellor Schröder's suggestions for sharing best practice among the Big Three on issues such as unemployment and public services look unlikely to start a new debate. The outcome of the trilateral summit looks likely to be an unremarkable text on why economic reform is good for Europe. There might be some progress on the constitution and the next president of the European Commission – but the Big Three are unlikely to do the deals on these issues that unite the whole Union.

The summit might have a lasting effect if it institutionalises the relationship between the three countries, in the way that the Franco-German duo has established regular meetings and deep co-operation between ministries. An important change would be to bring in the foreign ministries and other departments, because trilateral meetings have so far been run by the prime ministers' and president's office. Other ministers are less enthusiastic about trilateralism than are the heads of state and government, seeing the practical problems and not necessarily sharing their leaders' priority to improving overall relations.

The involvement of the foreign ministries is essential because external policy is the most fruitful area for trilateral co-operation, despite the divisions over US policy – and it has to be pursued by the three, not the two. In recent months, Big Three co-operation has scored notable successes: the agreement to give the EU a limited military planning capability, and the three foreign ministers' visit to Teheran. Syria may be the subject of the next major initiative. But such ad hoc co-operation is very different from a close, institutionalised relationship. The private offices of the French and German foreign ministers are in close contact daily, and Joschka Fischer meets with his French counterpart Dominique de Villepin regularly, whereas Jack Straw is just an occasional visitor. That makes for a very different kind of co-operation from the Franco-German tandem.

It would be much harder for the Big Three to set up significant initiatives in economic policy – not just because of the differences between the approaches of their finance ministers, but also because the EU has much more established institutions and rules in economic and regulatory policies than in foreign and security policies. Anything that might disrupt the single market or the eurozone is out of the question – which does not leave very much room for additional initiatives. Justice and home affairs is more similar to foreign policy in the sense that it is a more recent and more flexible area of co-operation. But the problem here is that the three countries' interior ministers have very different views on many issues, making a joint stand on any significant policy extremely difficult to construct.

In the EU of 25, the Big Three will form an important grouping on foreign and security policy that could provide constructive leadership. If they can find united position on key strategic issues facing the Union, they could help enormously in presenting a common external policy to the rest of the world. But Germany, France and Britain are unlikely to be the trio of countries at the heart of co-operation in other policy areas. And the trilateral relationship is most unlikely to become deeply institutionalised as the Franco-German partnership is. The tandem might become a tricycle from time to time on external relations, but it will not drive the Union as a whole.



## Conclusion

The days when the EU's six founding members formed a cosy club have long gone. Federalist nostalgia notwithstanding, this era cannot be recaptured. Core Europe will not lead to political union. Nor is a core likely to be a 'union within the Union' from which other member-states are permanently excluded. However, there remains a risk that France and Germany will use the idea of a core Europe to cajole others into accepting their demands. Such a strategy would be deeply divisive for the Union. Franco-German co-operation is welcome if – and only if – it leads the way forward to the benefit of the whole EU and its citizens. The supporters of core Europe must prove that this concept is useful for the Union. So far, their case is far from proven – whether the core is driven by France and Germany or led by a trilateral grouping including the UK.

The future of core Europe depends on Germany. The idea of a core Europe still has enormous appeal in Germany, given its long intellectual tradition and its distinguished backers from a range of political parties. But the current conception of the core pursued by the chancellery and the French president's office makes many Germans uneasy. It is fundamentally based on inter-governmental co-operation, not the political union that German federalists wanted to see at EU level. And its policy content is mostly bilateral initiatives, not projects to galvanise European integration for the whole Union.

The fathers of the core Europe idea, Schäuble and Lamers, envisaged that it would have a 'centripetal effect', a magnetic attraction for the rest of Europe. But many of the joint stances taken by France and Germany over the past year have divided the EU rather than drawn it together. Moreover, for most leading

<sup>4</sup> Helmut Kohl, 'Ein Europa der zwei Geschwindigkeiten wäre schädlich', *Frankfurter Allgemeine Zeitung*, January 22<sup>nd</sup> 2004.

German politicians, the core is only a second-best option if the Union simply cannot work after enlargement. They will try everything else first. Even one of the most formidable proponents of Franco-German co-operation, former German Chancellor Helmut Kohl, said in a recent interview: 'A two-speed Europe would be harmful'.<sup>4</sup>

The idea will not go away, because the current leaders in Berlin and Paris are drawing on a long tradition of joint Franco-German leadership of the EU. For both countries, this idea is very attractive in a period of great uncertainty, when enlargement and economic problems seem to threaten traditional ideas of European unity. But their relationship and motivations have altered fundamentally from the debate in the early 1990s. Most importantly of all, the context of an EU of 25 countries is utterly different from a community of six members. It was easy in the 1950s for France and Germany to dominate a small group of wealthy countries; but an extremely diverse Union of 25 will be much harder to lead.

The establishment of a core Europe is not a way out of the current impasse in the constitutional debate. The Big Three should concentrate on finding a constitutional compromise that is acceptable to all member-states, rather than trying to create a core group that is unlikely to work in practice. The greatest danger of the core debate is that it turns into a distraction from the essential task of reforming the enlarged EU's institutions and budget. And the political divisions it unleashes could cause exactly the problem that it was supposed to solve: a deadlocked Union.

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