

The Treaty of Nice and its impact on building a Sweden-Poland axis within the European Union

Poland is one of the 12 candidate states knocking on the door in the fifth enlargement process of the European Union.¹⁶ Historically, Poland has been an important neighbouring country to Sweden. Even though the two countries were kept apart during the Cold War era, they swiftly initiated closer relationships after the collapse of Communist rule in Poland.¹⁷

In fact, Poland has been one of the most important countries in the Swedish assistance program to Central Europe during the 1990s.¹⁸ In conjunction

¹⁶ The twelve candidate states in addition to Poland include: Estonia, Latvia, Lithuania, Czech, Slovakia, Hungary, Rumania, Bulgaria, Slovenia, Malta, and Cyprus. In December 1999, Turkey also acquired status for membership under the condition that Turkey should continue the political and constitutional as well as economic reforms, and it has to reach EU standards. Turkey must achieve a fully-fledged democracy and eradicate human rights abuses before it starts membership talks with the EU. The constitution written by the military after the 1980 coup is also criticized for its restriction of democratic freedoms. Legal decisions in five south-eastern provinces still under emergency rule after a 16-year rebellion by the outlawed Kurdistan Workers' Party (PKK) should be open to appeal. According to the Helsinki agreement in 1999, without sweeping democratic reforms of the country, entry talks may not come about.

¹⁷ During the entire Cold War era, Sweden remained a neutral state, while Poland was one of the active members of the Warsaw Pact under the rule of the former Soviet Union. After the defeat of the Communist Party in the Sejm election held in 1989, democratic transition was embarked upon in Poland. See details on the post-Communist era, Linz and Stepan (1996), Plasser, Ulram and Waldrauch (1998), and Tóka (1997).

¹⁸ During recent years, Poland has ranked third place after Russia and Ukraine in the total budget of the Swedish international aid program in Central and Eastern Europe. See details, SOU 2000:122.

with Poland's entry into the EU, how large is the space for cooperation both states within the EU? In what sectors can a common interest be pursued within the EU? What strategies can be selected, not only by Sweden and Poland, but also by other Nordic neighbours such as Finland, Denmark, Estonia, Latvia and Lithuania to expand their roles in an enlarged European Union with 27 member states? In order to improve our comprehension of the plausible cooperation strategies, space and possibility of building of the Sweden-Poland axis, the content of changing rules settled in the Treaty of Nice on power distribution among, and decision-making process within, different EU institutions seems necessary to address.

The Treaty of Nice signed on February 2001 is the fourth European treaty adopted during the last 13 years.¹⁹ In the Treaty of Amsterdam signed in 1997, however, several issues on the future of the enlarged Community remained unsolved. Thus, five crucial questions discussed in the Intergovernmental Conference (IGC) of the member states will be addressed in this chapter.²⁰ These five controversial questions relate to: 1) the composition of the Commission; 2) the composition of the European Parliament; 3) the weighting of votes in the Council; 4) the extension of qualified-majority voting related to the co-decision procedure; and 5) closer cooperation between the member states.

Thus, one of the central concerns of this chapter is how the rules and regulations settled in the Treaty of Nice by the 15 member states and 12 applicants on the status of the new member states are defined. After examining the changing circumstances in conjunction with Poland's and other candidate states' entry to European Union, our concern is to what extent the axis of Sweden-Poland plus other Baltic Sea states would potentially be relevant in the formation of common policies and interests areas within the European

¹⁹ The Single European Act (1987) and the Treaty of Maastricht (1993) were signed by the then 12 union member states. Four years later, the Treaty of Amsterdam was signed by the 15 member states in 1997.

²⁰ The IGC is the formal mechanism for revising the treaties, which are the constitutional texts of the European Union. The role of the IGC involves negotiations between the fifteen governments of the Member States, which currently belong to the Union.

Union. Closely related to the axis dimension, plausible policy sectors where cooperation between the states in the Baltic Sea Region can be formed will also be discussed at the end of this chapter. In what policy areas would the cooperation strategies be plausible for the regional members?

This chapter is based on a content analysis of three Swedish and one British daily newspaper covering the negotiation process of the IGC during the period between January 1 in 1997 and June 30, 2001.²¹ Unless otherwise stated, the date of event in question is cited from one of these newspapers.

The negotiation process and the impact of the Treaty of Nice on the power structure of the EU institutions

The Composition of the Institutions: The size of the Commission

The Commission is one of the most powerful organs in the European Union. The commissioner plays a role of policy initiator as well as regulator or supervisor of policy implementation. The composition of the future Commission has long been a sensitive question, because it will determine the power structure in conjunction with the EU enlargement. The most controversial issue was the number of commissioners, which increased gradually in relation to European enlargement. As illustrated in Table 1, the number of commissioners increased from 9 to 13 after the first enlargement of three countries – the United Kingdom, Ireland and Denmark. The number increased successively after each enlargement: 14 (after 1981), 17 (after 1986), 20 (after 1995) and 28 (after the Treaty of Nice). The main principle was that large member states should have two commissioners and the small states only one. This principle was challenged in relation to the entries of new members, since without any amendment the total number of commissioner would increase to 33 with a view to giving two seats to Poland. What strategies were

²¹ The three Swedish newspapers include: Dagens Nyheter, Svenska Dagbladet, and Dagens Industri. The one British paper is Financial Times.

chosen by the different member states during the negotiation process prior to the Treaty of Nice?

Table 1. Evolution of composition of the Commission.

<i>Years</i>	<i>Number of Commissioners</i>
1951 starting members	9
1973 enlargement	13
1981 enlargement	14
1986 enlargement	17
1995 enlargement	20
2001 Treaty of Nice (as proposed after the fifth enlargement)	28

Note: 1. 1973 (Denmark, Ireland and the United Kingdom); 1981 (Greece), 1986 (Spain and Portugal), and 1995 (Austria, Finland and Sweden).

2. Two seats were allocated to larger member states (France, Germany, Italy (1951), UK (1973), and Spain (1986)), while one seat was allocated to smaller member states (Three Benelux countries (1951), Ireland and Denmark (1973), Greece (1981), Portugal (1986), Austria, Finland and Sweden (1995)).

The Treaty of Amsterdam stated that the Commission could be composed of one commissioner for each member state, as long as the total number of member states did not exceed 20. This issue has a close link to the weighting of votes, to organizational structure of the future Commission, to the extension of the powers of the president of the Commission, and to the rotation between member states and the possible creation of hierarchy of commissioners.

On the matter of the distribution of power within the EU, the main split was between small and large states. During the negotiation process among the IGC representatives, the controversial positions regarding the composition of the Commission became apparent. The ten smaller member states robustly defended the right to retain one commissioner per country, while the larger member states, argued vigorously for an upper ceiling of 20 commis-

sioners and a rotation system. In the meantime, Italy was more inclined to accept the principle of the equality defending a rotation for every member state, while Spain insisted that rotation would apply only to the smaller states. None of the large countries were willing to discard its second commissioner if a “one commissioner per member state system” were to be introduced.

A similar split was apparent in national positions on the equality or hierarchy of commissioners. However, it was less controversial on the subject of granting more powers to the president and increasing the number of vice-presidents. If the rotation system were to be adopted, all the small countries, supported consistently by Italy, supported the idea of strict equality in the conditions of rotation, so that each member state would be deprived of representation in the Commission for the same length of time. The larger member states took a robust stance on the idea that this would constitute reverse discrimination unless other arrangements were made to compensate for their under-representation in the community executive.

In this context, the possibility of introducing a hierarchy of commissioners was considered – junior and senior commissioners - with the obvious but undeclared intention of earmarking the most important posts for the larger member states. The larger member states, except Italy, preferred this option in the event of a failure to adopt a differential rotation, whereas the smaller states strongly protested against it. Most extremely of all the large countries, Spain considered this possibility only on a non-egalitarian basis. Spain repeatedly defended comparative advantages for the larger member states.

The final settlement set a ceiling to be applied at a later date by retaining the status quo up to 2005. What will happen after 2005 seems, however, unclear. One plausible scenario is that as of 2005 the larger member states will concede their second commissioner and that all the member states will have one commissioner each until the number reaches 27. From then on, the number of commissioners will be cut and a system of egalitarian rotation will be installed amongst all the member states. However, neither the size of the reduction nor the detailed arrangements for rotation have been decided after

the negotiations settled in the Treaty of Nice. It would imply that this question could be settled only after a future IGC or by the unanimity of the Council. One way or another, a definitive ceiling for the Commission's membership must be decided after 2010.

In addition to these changes to the Commission's membership, the IGC reached an agreement on a number of measures concerning the organization of its internal proceedings, and in particular strengthening the president's power in order to guarantee the consistency and to enhance effectiveness of the Commission's decision-making process. The president may now reshuffle portfolios during the term of office, appoint vice-presidents and ask a commissioner to resign, albeit after obtaining the approval of the College (Article 217).

It is unclear, however, whether these measures will offset the loss of effectiveness arising from the increase in the number of commissioners. It should be noted that, at the request of the smaller member states, proposals on the president's power to lay down the political guidelines to be followed and the re-evaluation of the role of vice-presidents in supervising and coordinating entire policy areas were abandoned in favour of the greater collective responsibility of the institution.

Another triumph seems to be that applying qualified majority voting to appointments was extended to include that of the president of the Commission, which, as a consequence, ensures that a single country can never block such an appointment.²² This can be regarded a positive step toward a more democratic structure in appointment of president of the Commission.

The composition of the European Parliament

Under the provisions on the establishment of the ECSC (1951) and the EEC (1957), the EP was a purely consultative assembly consisting of representatives of the national parliaments. It was decided in 1976 that its members would in future be elected by direct universal suffrage. In the 1979 election,

²² This was a case when the United Kingdom under John Major administration blocked JeanLuc Dehaene in his appointment to the presidency in 1994.

the principle of direct election was applied in the European Parliament (hereafter EP) elections, when only nine states were members.

Although the principle of direct election by the European citizens was fulfilled, the EP held a weak position in comparison to other organs. The Single European Act (1987) conferred new powers to the EP by introducing the cooperation procedure. The power of the EP was extended by the gradual extension of the co-decision procedure by the Maastricht (1993) and Amsterdam (1997) treaties. At the same time, the number of EP members has also increased from the 518 initial members, with the unification of Germany (1989) and the accession of the three new member states, to a total of 626 members of the EP (hereafter MEP).

Article 190 of the Treaty lays down the principle of the representation of the MEP. It provides that the system aims to ensure appropriate representation of the people of the member states brought together in the Community. This principle, however, does not seem to be fulfilled, since the actual composition is broadly based on a relative proportionality principle giving a slight comparative advantage to medium-sized and small member states.²³

Another controversial issue was the size of the EP. Based on the current number of MEPs, the proportional allocation of seats to the new 12 members would imply that the total number of the EP would increase to 881 seats. Thus, the IGC strove to cut the number of MEP in conjunction with the enlargement of the member states. In 1997, the Amsterdam Treaty imposed an upper limit of 700 MEPs. In order to remain below this ceiling after further additions, the distribution of seats between all the member states had to be drastically revised. Another aspect to be considered in the negotiation

²³ The allocated number of MEPs for Germany (99) consists of 15.8% of 626, while the population size of Germany consists of 21.8% of total population of the 15 member states. The pattern is similar for large member states such as the United Kingdom, France, Italy and Spain. To the contrary, the allocated number of MEPs for Luxemburg (6) is 1% of 626 members, while the population size of Luxemburg consists of 0.1% of the total population of the 15 EU member states. The same pattern can be found for the small member states such as Ireland, Finland, Denmark and Sweden.

process was to respect the “appropriate representation of the peoples” criterion laid down in Article 190 of the Treaty.

According to provisions reached by the IGC prior to the Treaty of Nice, the composition of Parliament will be changed from the next European elections in June 2004, with reductions in the number of seats from all member states except Germany and Luxembourg. These two countries will keep their present number of MEPs – 99 and 6 respectively. The total number of MEPs of the 15 member states will then be reduced from the current 626 to 535.

During the 2004-2009 term of office, the total number of MEPs will increase to 732 seats. The final figures are based primarily on each country’s population with a certain bonus for the smallest countries to allow for the representation of all political tendencies.²⁴ As a result, the importance of the EP in the EU decision-making process has also increased. This highlights not only the defensive attitude of the member states, but also the increasing role of the EP/Council in tandem in the initiation of European legislation and the diminishing of the role of the Commission.

At the same time, the EP has obtained two long sought-for prerogatives. As laid down in Article 230, the EP extended its right to bring court actions with the member states and the other institutions. Furthermore, the EP has the power to ask the court for an opinion on the compatibility with the treaty of an international agreement (Article 300 Paragraph 5). These clauses, which stemmed directly from the Treaty of Maastricht and the Treaty of Amsterdam, have given a massive boost to the EP’s role as a real actor in the decision-making process. After the fifth enlargement, the EP will play an increased role, together with the Commission, as two driving forces in European politics.

The weighting of votes in the Council

It was stipulated in the Treaty of Rome that the qualified majority was adopted by allocating votes on the basis of population weighted in favour of

²⁴ Luxembourg argued that it was necessary to maintain six members to include all political spectrums in its party system.

the less-populated countries. This system was modified with successive enlargements, but the fundamental assumption remained. As shown in Table 2, the current allocation of votes in the Council consists of a total of 87 votes. When a qualified majority is to be applied, 62 votes is the minimum number of votes for a decision, while 26 votes can block a decision.

In the negotiation process at Nice, the issue emerged quickly that weighting of votes would be the most complicated subject, since the new weightings would form the basis for the future balance of power. In the sense that this issue would also affect the applicant countries in the topic of prefiguring the plausible alliances after the enlargement of the EU, the 15 member states showed great interest and vigour to get more influence in the future power structure.

Up to now, the system has proved sufficiently representative and balanced. The size of the qualified majority has varied from 67% with the six founding member states, to 70% with ten member states. At present, a qualified majority equals 71.2%, with fifteen member states. Decisions have always had to gain the support of a large majority in terms of population and at least half of the member states, while the blocking minority required to stop any decision could be obtained only by the three member states with the largest population or by a larger group of small member states.

Table 2. The Allocation of Votes in the Council before and after the Treaty of Nice

<i>Countries</i>	<i>Current number of votes</i>	<i>After 12-plus</i>
Germany	10	29
France	10	29
Italy	10	29
United Kingdom	10	29
Spain	8	17
Belgium	5	13
Greece	5	12
Netherlands	5	12
Portugal	5	12
Austria	4	10
Sweden	4	10
Denmark	3	7
Ireland	3	7
Finland	3	7
Luxembourg	2	4
Total numbers	87	237
12 new member states		105
Total		345

The positions taken by Germany, Spain, the Netherlands, and the small countries made it more difficult to reach agreement in the negotiation process. Germany wanted to ensure predominance over the other large countries based on the effects of reunification, while the Spanish and Dutch aspirations were to improve their respective positions between the larger and smaller countries by the decision of all the large countries to offset the possible loss of a commissioner through better representation in the Council. The concern

of the small countries was primarily to safeguard a certain degree of influence in the decision-making process in the Council.

Four questions were the main issues: 1) Should a qualified majority always encompass a majority of member states (the position supported by the ten member states with the smallest populations)?; 2) Where should size of the smallest blocking minority be set? The larger member states wanted to maintain the present level; 3) Should the present groupings of member states be retained in the event of re-weighting, or should more flexibility be introduced into the system in order to differentiate further between larger and smaller member states? And finally, 4) which model should form the basis for an agreement? To avoid a deadlock between the member states, a compromise was reached in a kind of “triple majority” for a decision to get through in the Council. For a decision to be adopted it must have the support of: 1) a majority of the total number of the member states; 2) a qualified majority between 71 and 74% of weighted votes; and 3) if a member state so requests, 62% of the total EU population.

It was also agreed that after the successive waves of entries of the 12 candidates, the requisite percentage of weighted votes would increase to a maximum of 73.4%. This means that three large member states and one small State will be able to oppose a decision that has the support of all the others. Thus, out of 345 votes, the qualified majority is set at 258 votes and the blocking minority at 88, which will increase to 92 with the entry of the 27th member states (See Table 3).

One drawback of this compromise is that the decision-making process will be more cumbersome. Prodi was one of the most critical opponents of the compromise by arguing that “firstly, because it made a qualified majority more difficult, and a blocking minority accordingly easier, where the goal should have been the opposite in an expanding Union; secondly, because it has made decision-making even more complex, something that runs counter to the legibility and transparency for which the citizens have been calling.”²⁵

²⁵ See the speech made to the European Parliament on December 12, 2000.

The extension of qualified-majority voting related to the co-decision procedure

The original treaty of Rome (1957) provided for unanimous decisions in the Council for most of the areas covered. Nevertheless, a few provisions were already subject to qualified-majority voting, and the treaty foresaw the introduction of majority voting in many cases after the end of the transitional period in 1966. This led to the crisis caused by De Gaulle, who opposed the launch of the majority voting system in the Commission.²⁶ This event resulted in the development of a “veto culture” which severely held back the progress of European integration during the next decades.

However, qualified majority was seen as a necessary corollary to the successive enlargement of the EU. The idea of the qualified majority system was to reduce the so-called democratic deficit of the European Union institutions. Even though qualified-majority voting already applied to a very large range of policies, several important and sensitive issues remained subject to the unanimity rule. There are currently 75 provisions subject to unanimous voting in the Treaty. The bulk of these articles are in the areas of Pillar II and III.²⁷ It may be said that the French presidency made substantial progress in this field, which was one of the keys to the success of the IGC. This issue turned out to be less complicated than the composition of the Commission or, especially, the weighting of votes in the Council.

During the negotiation process, Italy, Belgium, and the United Kingdom argued strongly, despite strong pressure from the Commission, that taxation and social security were matters for national governments and parliaments to decide upon and not suitable for qualified majority voting. Finally, 15 mem-

²⁶ The crisis was resolved by an initiative taken by Luxembourg, which resulted in a compromise. The Council made a statement that where very important interests of one or more partners are at stake, the members of the Council will endeavour, within a reasonable time, to reach solutions, which can be adopted by all of them.

²⁷ These areas include: common foreign and security policy, visas, asylum and immigration issues, police and judicial cooperation, taxation and social security. For more details, see Table 5 of this chapter.

ber states decided that they would retain the unanimity requirement for all treaty provisions relating to the coordination of social security systems and taxation. As far as the common commercial policy is concerned, the final compromise includes the negotiation and conclusion of international agreements in the area of trade in services and the commercial aspects of intellectual property. These agreements are concluded by a qualified majority, except when they include provisions for which unanimity is required for the adoption of internal rules, or when the agreement concerns an area on which the Community has not yet exercised its responsibilities. In addition, the agreements related to the harmonization of cultural and audiovisual services, education services, social and health services continue to be the subject of responsibility shared with the member states.

The unanimity rule was also kept in the more controversial areas of migration and asylum. The less developed countries, including Greece, Spain and Portugal, succeeded in keeping their veto on the financing of the structural and regional funds, at least until 2007. In the end, qualified majority voting procedures were introduced in only 27 provisions out of the 50 initially proposed by the Commission and the 75 cases where the unanimity rule still prevailed in the treaties. The co-decision procedure will be applicable only to seven provisions, changing from unanimity to qualified majority voting procedures (Articles 13, 62, 63, 65, 157, 159 and 191).²⁸

Closer cooperation within European Union

The idea of close cooperation between member states has existed during a long period. Such possibilities were defined under the original treaty laid down in Article 306 of the Benelux Paradigm. Cooperation patterns have deepened in conjunction with open border policy across member states. In 1985, the removal of internal border controls was formalized by the Schengen Agreement. This agreement was initiated by five member states, but the

²⁸ In a speech to the European Parliament made after the summit on December 12, 2000, Prodi was very critical of the narrow-minded attitude that prevailed at Nice in respect to closer integration and more effective institutions.

number of signatories subsequently increased to 13.²⁹ Although the Treaty of Maastricht includes clauses on closer cooperation of the member states, however, it contains some negative tones. It allowed some member states to opt out of specific common policies. In contrast to the Treaty of Maastricht, the Treaty of Amsterdam provided for the possibility of closer cooperation within the single institutional framework subject to strict conditions.³⁰ Subject to these conditions, the member states may establish closer cooperation in the first and third Pillar within the institutional framework of the EU (Articles 11 EC Treaty and Articles 40, 43-45 Treaty on European Union).³¹

After the current enlargement, the EU will become even more heterogeneous. Thus, there seems to be necessary to extend the scope for closer cooperation in order not to delay the integration process within the EU. The main aspect was to relax the conditions referred to above and no longer allow a single member state to block the possibility of further cooperation.

The Commission proposed removing the veto, setting the minimum number of member states that can establish closer cooperation at one-third of the total membership of the EU, except for the area of CFSP. The counter-arguments, supported mainly by the small member states and the countries applying for membership, stressed the risk of a less cohesive, less mutually supportive Europe. So far, there has been little experience of the mechanisms provided for by the Treaty of Amsterdam, which have not yet had a chance to operate properly and have a real impact.

At the Nice summit, however, this issue was one that made the most progress during the negotiations. A number of smaller and medium-sized member states that were initially suspicious of an initiative emanating essentially

²⁹ The total number of signatories to the Schengen Agreement is 15 including Norway and Iceland. The United Kingdom and Ireland are excluded in the Schengen Agreement.

³⁰ The following conditions are included: 1) It may not apply to areas of exclusive Community competence; 2) there must be no discrimination among European citizens or restrictions on intra-community trade; 3) it is subject to control by the Commission and review by the Court of Justice, open to all member states wishing to join and subject to a veto by the member state referring the matter to the European Council for unanimous decision.

³¹ The constructive abstention mechanism of Article 23 of the Treaty of European Union gives member states the same possibility in the second pillar (CFSP).

from their larger counterparts were gradually won over to the movement in the hope that it might help them consolidate a relative advantage over the applicant countries. The relevant provisions of the Amsterdam Treaty can be divided into four categories: 1) The general principles governing the whole mechanism (Clauses A-F); 2) Clauses applicable in the context of the Economic Community Treaty (Clauses G-I)³²; 3) Clauses which may be applicable under Title V of the Union Treaty (CFSP; Clauses J1-18); and 4) Clauses applicable under Title VI of the Union Treaty (Justice and Home Affairs; JHA).³³

In the general clauses, it is worth noting two important new developments: the minimum number of member states required to instigate closer cooperation is established at eight and the unanimity requirement has been discarded. Other provisions stipulate that areas where the Community has exclusive powers must be preserved, that the internal market must not be affected, and that the mechanism must be open to all member states (Clause A). The other clauses state that closer cooperation may be engaged only when it has been established that it is impossible to follow the normal procedures provided for in the treaty (B), that the participation of the greatest possible number of member states must be encouraged (C), that the relevant operational expenditures should in principle be borne by the participating countries (E), and that consistency with Union policies must be guaranteed (F).

³² The clauses were laid down under the provisions on the establishment of the European Economic Community (EEC), European Coal and Steel Community (ECSC) and European Atomic Energy Community (Euratom).

³³ Tony Blair persuaded the French Presidency to remove defence from proposals for closer cooperation. This question remained a deep scar and disagreement during discussions on the independence of Europe's military capabilities vis-à-vis NATO, with France and Germany pleading in favour of an independent European military force, in opposition to the United Kingdom standing close to the American stance. As a result, such fields as implementation of a joint action or a common position in the CFSP area were included in the closer cooperation. Concerning the relationship between the EU and the WEU, see Article 7 of the Treaty of the EU. The WEU is neither an integral part of the Union nor a body of common military operation. For CFSP in common military operation for peaceful purpose, see Article 25 of TEU.

Regarding closer cooperation under the EC Treaty, the transition to majority voting is offset by the possibility for any member state to refer a question to the European Council before the Council of Ministers takes a decision (G). Furthermore, when closer cooperation concerns an area that comes under the co-decision procedure, the assent of the European Parliament is required.

Two other points were discussed at the summit meeting: 1) the possible exclusion of certain matters from the scope of closer cooperation (e.g. the internal market and cohesion policy issues), and 2) the role of the Commission and Parliament when closer cooperation is triggered or non-participating member states seek to join it. Clause A states that closer cooperation must undermine neither the internal market, nor economic and social cohesion. According to Clause K, the Commission maintains the right of proposal and the Parliament preserve the role of consultation in the decision-making process. In matters of the second pillar areas, however, the Commission merely gives an opinion, while Parliament is simply informed. Thus, by preserving the core Community framework and internal cohesion, the closer cooperation mechanisms appear capable of keeping Europe on track towards ever-tighter integration, while allowing each country to go along this route according to its own preferences and special needs.

The Treaty of Nice and its impact on the Sweden-Poland relation

The Treaty of Nice resulted in a pattern of quid pro quo, as illustrated in Table 4. Germany gave up additional votes in the Council in return for 27 more MEPs than the other large countries; France had to make concessions on the common commercial policy to ensure parity with Germany in the decision-making process; and the small member states had to accept a reduction in their relative weight in the Council to safeguard their equal representation in the Commission. However, the real issue at stake was the balance of power between Germany and France and the other member states.

The most far-reaching effect of the settlement laid down in the Treaty of Nice can be detected in the clauses concerning decision-making in the Coun-

cil. In order to reach a decision in the Council, according to the proposal that is meant to be implemented after the full enlargement process, two requirements have to be fulfilled. First, the requirement of majority of member states must support it and, second, 258 votes are required to fulfil the qualified majority of the total 345 votes. Another requirement, which can be activated if one member state wants to, is the support of 62% of the entire population of the member states. In other words, in order for a policy proposition to pass the decision-making process, it must be supported by 62% of the total EU population. On the other hand, in order to block a proposition in the Council, 88 seats have to be against the proposal. In the wake of the population requirement, 38% of the population size is the minimum level for blocking a proposal.

This agreement laid down in the Treaty of Nice caused much controversy. As mentioned in Prodi's speech, the most ferocious criticism was targeted at the intricacy of the decision-making process in the Council. It was argued that the combination of both votes and the population requirement would slow down the decision-making process. Furthermore, it was argued that it would in principal be possible for the four largest member states to steer the direction of the EU's future partly because of the size of the qualified majority for a proposal to get through the decision-making process and partly because the ineffectiveness of the population requirement. Without the involvement of at least one of the largest member states, blocking a proposal in the Council would technically be impossible. Thus, the criticism of the small member states was ferocious.

Table 3. Allocation of Seats and Weights of Different EU Institutions after the Treaty of Nice and the Fifth EU Enlargement

	<i>No. of Representatives in EU Parliament</i>	<i>No. of Representatives in EU Council</i>	<i>Weight of a representative in EU Council (/mil. inhabitants)</i>	<i>Population (Millions)</i>	<i>% of EU-27</i>
Germany	99	29	0.35	82.8	17.2
United Kingdom	72	29	0.49	59.3	12.3
France	72	29	0.49	58.5	12.1
Italy	72	29	0.50	57.6	12.0
Spain	50	27	0.68	40.0	8.3
Netherlands	25	13	0.82	15.9	3.3
Greece	20	12	1.13	10.6	2.2
Belgium	22	12	1.18	10.2	2.1
Portugal	20	12	1.20	10.0	2.1
Sweden	18	10	1.12	8.9	1.9
Austria	17	10	1.23	8.1	1.7
Denmark	13	7	1.32	5.3	1.1
Finland	13	7	1.35	5.2	1.1
Ireland	12	7	1.84	3.8	0.8
Luxemburg	6	4	10.0	0.4	0.1
EU-15	531	237		376.6	78.3
Poland	50	27	0.69	39	8.1
Romania	33	14	0.61	23	4.7
Czech Rep.	20	12	1.20	10	2.1
Hungary	20	12	1.20	10	2.1
Bulgaria	17	10	1.25	8	1.6
Slovakia Rep.	13	7	1.40	5	1.0
Lithuania	12	7	1.75	4	0.8
Latvia	8	4	2.00	2	0.4
Slovenia	7	4	2.00	2	0.4
Estonia	6	4	4.00	1	0.2

Cyprus	6	4	5.00	0.8	0.2
Malta	5	3	7.50	0.4	0.1
EU-27	728	345		481.8	100
7 Baltic Sea States	120 (16.5%)	66 (19.1%)		65.4	13.6

Source: Treaty of Nice and UN Statistical Yearbook.

In this respect, is there any possibility for Sweden and Poland to build an axis as a core of the Baltic Sea Region to pursue common interests? What can it entail at the political scene within the EU? Geographically, this region except Germany consists of seven countries – Denmark, Finland, Sweden, Estonia, Latvia, Lithuania, and Poland. According to the “closer cooperation” principle set forth in the Treaty of Nice, eight countries are the minimum number for a policy initiator. To obtain close cooperation between member states within this region, one more member is necessary to create the minimum number to initiate a policy proposal. With the support of one small or medium-sized member state, the Sweden-Poland axis would be an important actor in the formation of the future power structure in the EU. A plausible obstacle seems to be, however, that the interest of Poland in Pillar II areas is different from that of Sweden. The NATO membership of Poland and the Swedish, as well as the Finnish, neutral foreign policy could hinder close cooperation in this area. Except for this CFSP area, the common interest of the two countries seems to be extensive especially concerning the environment, traditional EC areas, and some of the Pillar III areas.

The traditional EC sectors would provide an extensive scope for cooperation among the seven Northern European countries within the EU. Issues such as the environment, agriculture and fishing would lead to a closer relationship. Welfare and bureaucratic reform would also provide an extensive ground for far-reaching cooperation. Fighting corruption and increasing accountability and effectiveness in the public sector would also provide a good opportunity for the Nordic neighbours to build a close relationship with their Baltic and Polish neighbours.

Table 4. Policy Areas according to the Three Pillars and Scope for Cooperation for Baltic Sea States

	<i>Pillar I Area</i>	<i>Pillar II Area</i>	<i>Pillar III Area</i>
<i>Policy areas</i>	Trade Agriculture Fishing Market regulation Competition Industrial policy Monetary issue Environmental policy Equal opportunities Working conditions and labour market Consumer protection Movement across external borders Energy Transport Education and training Culture	Foreign policy Defence policy Security policy	Health Social welfare Housing Civil liberties Police Domestic crime International crime Combating terrorism and drugs Immigration policy Asylum policy
<i>Scope for Cooperation of Sweden-Poland-Baltic Sea States</i>	Extremely active cooperation in reservation of certain limitation in policies such as monetary; One policy area within which	Extremely limited cooperation; Poland as NATO member; Three Baltic States are interested in membership in NATO;	Active cooperation in policies such as health, social welfare, housing and domestic crime; Even extensive cooperation with

	<p>tion will be expected is environmental and agricultural area; Three Baltic States and Poland would join EMU in conjunction with the EU entry.</p>	<p>Finland and Sweden would continue to be out of NATO</p>	<p>states in policies such as international crime and combating terrorism and drugs</p>
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Note: The issue areas were taken from the Treaty of Rome. See also Dinan (1994), Andersen and Eliassen (1993).

One issue that could complicate closer mutual cooperation in the Baltic Sea region seems to be the EMU membership of the new and old member states after the fifth enlargement. Denmark and Sweden decided to stay outside the common monetary cooperation, while Finland joined, as one of the twelve initial members. It is likely that this split between EMU antagonists and proponents in this region will persist. In the former, Denmark and Sweden seem to probably remain outside for the nearest future, whereas the new members, such as the three Baltic countries and Poland, probably will join the EMU as soon as possible. However, since domestic economic policy such as labour market policy, currency policy, and economic growth is closely linked to the globalisation process of the world economy, it seems to be very likely that Sweden and Denmark will sooner or later join the EMU. In this respect, the EMU question would not be an obstacle to the states of the Baltic Sea region in building a close cooperation mechanism within the EU.

To sum up, there is a great possibility for cooperation between the Nordic members and the candidate states in the traditional Pillar One area, as illustrated in Table 6. Especially, the policy areas of fishing and environmental protection in the Baltic Sea is one of the issues containing the most likely common interests. The Swedish and Polish interests seem to have much

more of a common denominator in this policy area. A challenge to build such a cooperation mechanism is the different national interests among the Baltic Sea States. Without a doubt, one issue area with sprawling interests in this region seems to be the security dimension and NATO membership and. Even though the Baltic elites and the general public have shown a high level of support for becoming a member of NATO, Russia has issued warning signals regarding the Baltic candidacy for NATO membership.³⁴ The Baltic Sea States will probably have diverging opinions in this issue.

Pillar Three areas would also open extensive possibilities for a close cooperation among the Baltic Sea members. However, these areas, which include fighting drugs and terrorist attacks, is a common European cooperation sector, especially after the September 11th terrorist attack to the World Trade Center in the United States. Traditional Pillar Three sectors such as health and welfare section, police and judiciary matters, civil liberties and minority issues, and asylum and immigration policies would form a limited potential for cooperation, since they touch on the domestic problems and diverse value priorities among the Baltic Sea States.

Structurally, the most critical obstacle in building an European axis for Sweden and Poland on the one hand, and all the Baltic Sea States on the other, seems to be the limited number of votes in the Council, and the small size of the total population. As illustrated in Table 4 above, since the total votes of the seven Baltic Sea States is only 66 consisting of 13.6% of the total votes in the Council, association with one of the largest EU member states seems to be necessary to block a proposed policy in the Council. There seems to be little or no chance for the Northern European axis itself to form a driving force regarding EU policies, since the requirement of qualified majority can only be fulfilled by the three largest and one small member state. At worst, its role would constitute a blocking group. In that sense, such an axis consisting of only small member states as a future blocking group would be perceived as an anti-Europeification force. At best, this axis would pursue

³⁴ The Baltic Barometers carried out in 1999 and 2001 show that a majority of the Baltic public expressed a desire to get access to NATO and EU. See Loftsson and Choe (forthcoming).

Conclusion

The formation of the future power structure within the European Union seems to be closely related to the new phases rooted in the changing relationships between member states, and rules of the decision-making process in the Council.

Firstly, the Franco-German axis has been severely weakened during recent years. The Germans, who failed at the outset, are trying to assert their hegemony. After reunification, a primary German interest has been to expand its influence over the enlargement process to the East, which has been a traditional interest area. In contrast, the French are desperately trying to preserve an equal or extended role in this new balance of power.

Secondly, the UK and Spain seem to be determined to play a central role. The United Kingdom has been pursuing an anti-Community role and has been supported in this ambition by Spain. The majority of Scandinavian countries traditionally rejected the idea of supranational integration. In contrast, a new pro-Community axis is being prompted by Germany with its leadership ambition. Italy, the Benelux countries and a number of smaller countries have supported this idea. As a natural corollary after enlargement, new alliances are likely to emerge with Germany in search of a dominant position, whereas France will at least attempt to preserve the status quo. The United Kingdom will aspire to influence the direction of moves towards integration from the inside. Therefore, the Treaty of Nice seems to mark an interim stage in this process. There is no doubt that a new intergovernmental conference scheduled in 2004 will create a base for the formation of a new power structure and the future of “constitutional” or “federal” United Europe.

Closely related to these two aspects, there are a wide range of opportunities and obstacles for building a Swedish-Polish axis, as well as deepened cooperation between the Baltic Sea States in different policy areas. The reason is that Poland, with the sixth largest population, may play a key role in building a Northern European axis with other neighbouring countries. How-

ever, this block seems to be powerless without the support of one of the largest member states. In this sense, the Northern European axis would be a latent and symbolic actor in the formation of the new power structure in European politics.

Generally, the opportunities of the small member states to build this type of axis are considerable, because of the fact that the four largest member states may otherwise easily dominate EU politics. Since the building of this type of new axes in the EU would form an anti-Europeification block, the diversification of member states into different groups seems inevitable. Therefore, not only the large, but the small member states as well, ought to realize that closer cooperation on diverse levels and among different actors must be encouraged between national political parties, between civil NGO groups, and between agencies at the regional and local governmental levels. These different types of cooperative networks seem to be of great use for narrowing the gap between pro- and anti-European groups as well as between “driving forces” and “outsiders” or “newcomers” after the full-fledged expansion of the European Union. The pluralistic network of the EU, in combination with national and local institutions, would bring people closer in building a common European identity.

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