



**IIPS**

Institute for  
International Policy Studies

▪ Tokyo ▪

## **IIPS International Conference**

**“Enlargement and Future of Europe 2002”**

**Tokyo, 12-14 November**

## ENLARGEMENT AND FUTURE OF EUROPE 2002

On 12 and 13 November 2002 the Institute for International Policy Studies (IIPS) hosted an international conference entitled “Enlargement and Future of Europe 2002” at the ANA Hotel, Tokyo. This was followed on 14 November by a public symposium (sponsored by the Nippon Foundation) on the theme “What Roles for Europe and Japan in the Post-September 11 World Order?”

Professor Taizo Yakushiji, research director at IIPS, introduced the first session, in which two speakers gave presentations on the theme “Enlargement and Future of Europe.” The first speaker was Ambassador Bernhard Zepter, the head of the Delegation of the European Commission to Japan. The ambassador stated that the central question in the movement towards an enlarged EU is whether the organization should aspire to a unified government or whether it should emphasize the autonomy of member countries through inter-governmental coordination; he then went on to make the case for solving problems using a community-based approach.



The second speaker was Mr Christian Lequesne, deputy director of the Centre for International Studies and Research. Mr Lequesne stressed the importance of establishing a European presidency, so as to raise Europe’s profile and to allow the formulation of a stable European foreign policy. In addition, he suggested that, since the EU is comprised of many countries, the EU decision-making process should be changed to allow decision by majority vote. Regarding the problems surrounding the possible accession of Turkey to the

EU (which would incidentally entail a drastic revision of both the area and borders of the EU), he posited a system of partial EU membership based on agreement in certain fields. This was followed by discussion of the political and economic aspects of Turkish accession.

The second session, which focused on the European Monetary Union, was led by Professor Shinzo Kobori, distinguished research fellow at IIPS, and featured three speakers who spoke on the topic “Impact of EMU on the European and Global Economies.” First to speak was Professor Michael Artis of the European University Institute, who discussed the introduction of the EMU in 1999 and the launch of euro cash in 2002. Professor Artis contended that these two programs had been successful by-and-large (despite the Asian crisis and the bursting of the IT bubble), but also proceeded to underline issues that will have to be confronted in the future, such as the



unrealistic nature of the goal of restricting consumer price inflation to under 2%, given the present economic conditions in the member countries.



Professor C. Randall Henning, visiting fellow at the Institute for International Economics, then discussed the present-day European Monetary Union and its Stability and Growth Pact. He stated that there are clear inconsistencies between the pluralistic financial policies of member countries and the centralized monetary policy of the European Central Bank (ECB), and that, rather than the deficit for any single year, a structural deficit based on business cycles should be used. He went on to note that public support and political savvy

are necessary to the central bank's independence, and that in order to deal successfully with the outside world, the bank would require a "Mr Euro" with a mandate, and the establishment of an international coordination mechanism. In the final presentation of the session, Professor Sahoko Kaji of Keio University declared that, since its initial introduction in 1999, the euro had lost value, possibly due to stock sell-offs, a strong US economy, loss of faith in the ECB, and changes in the stabilization mechanism for the short-term investment exchange rate. However, the subsequent downturn in the fortunes of the US economy caused the dollar to begin to lose value against the euro in June 2002. Professor Kaji also stated that, in order for Asian monetary unification to become a reality, Japan would have to demonstrate a genuine commitment to overcoming whatever difficulties arose.



The third session was led by Ambassador Ryukichi Imai, distinguished research fellow at IIPS. Three speakers gave presentations relating to the topic "Enlargement of NATO and the New Regime of International Security." Professor Karl Kaiser, director of the Research Institute of the German Council on Foreign Relations, proposed that the redefinition of NATO and the expansion of NATO's role to one of prevention of terrorism and the proliferation of weapons of mass destruction (WMD) are but one facet of change in the world

order, that the world order since World War II must not be ignored, and that a response to the problem posed by Iraq should be based on international dialogue.

Following this, Robert Hunter—former US ambassador to NATO and senior advisor to the Rand Corporation—stated that, although NATO members did band together in response to the terrorist attacks on 9/11, when it comes to the Iraq problem, there is still a disparity in viewpoint between the US and Europe as well as between the individual countries of Europe,



and that the importance of NATO’s contribution to Middle East security will continue to grow.

Finally, Professor Yuzuru Kaneko, director of the Second Research Department, First Research Office of the National Institute for Defense Studies, described eastward enlargement and crisis management missions as the two most contentious issues confronting NATO. He discussed NATO’s relationship with Russia, the need to redefine the purpose of NATO, and the differing attitudes of the US and Europe. He added that the search for a new

security regime in Europe would also affect Japan’s security.

In the fourth session, Professor Toshiro Tanaka, vice-president of Keio University, introduced three speakers who proceeded to address the topic “Implications of European Enlargement on the Global Society.” First to speak was Dr Michael Reiterer, minister of the Delegation of the European Commission to Japan, who stated that since 1994 the EU’s Asian strategy has been fundamental to the process of European enlargement. This strategy divides Asia into four regions and sets out activities for achieving regional peace, expansion of trade and investment, developmental aid, and global partnerships. He added that Asia-Europe Meeting (ASEM) activities have contributed greatly in these areas and that these activities should continue.



The next speaker was Professor Jacques Pelksman of the College of Europe, Bruges. Professor Pelksman, who also serves as a director at the Netherlands Scientific Council of Government Policy, observed that, with few exceptions, EU expansion has received broad support from the international community, and that while there are problems in various markets in the Central and Eastern European countries that are preparing for accession to the EU (such as the agriculture, services, and labor markets), the direct

investment and manufacturing contracts that these countries are receiving are helping to promote a stronger regional industrial system and to expand trade. EU enlargement will indirectly influence societies and cultures resulting in a “union of diversity.”

The third speaker was Dr Eric Teo, council secretary of the Singapore Institute of International Affairs. In Europe, Dr Teo noted, regionalism, regional integration, and regional expansion are occurring in parallel; underlying these trends are worldwide currents of globalization and regionalism. Dr Teo added that there is no doubt that the EU model—in all its diversity—will influence East Asia; however, the crux of the problem for East Asia has always been whether or not it can muster the strong will and leadership that will be required to unify East Asia.



IIPS President Yoshio Okawara led the public symposium, at which reports were given by the international conference participants. These were followed by a question-and-answer session.

Cornelis Keijzer, first secretary of the Delegation of the European Commission to Japan, emphasized the need to establish a constitution so as to facilitate peaceful enlargement of the EU and simplify its framework. Secretary Keijzer said that, since 9/11, NATO's role should be that of a large alliance with a long-term strategy for tackling

terrorism and the proliferation of WMD, and that, as the authority of the UN increases, there will be a growing tendency to look to Japan for contributions to activities that promote peace. Professor Pelkmans said that the EU should promote moderation of protectionism in agricultural policy through the framework of the WTO, and that Turkey should be given a chance to acquire EU membership.

Ambassador Hunter said that terrorism should be confronted within a NATO and UN framework, and not by the US alone.

Lastly, Professor Yakushiji said that the EU's progress in integration in the spheres of economics, security, and democracy should serve as an incentive to ASEAN and to other bodies that have thus far limited themselves solely to economic cooperation.

The question-and-answer period featured lively discussion on the division of labor between the EU and NATO, the North Korean situation, and the problem of Iraq.

