

**Diplôme des Hautes Études Européennes et Internationales**

**Masters Thesis**

**“British, French and German European Policies and Strategies in  
the Context of European Integration Theories and Future  
Institutional Reform of the European Union”**

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# Contents page

<b>INTRODUCTION.....</b>	<b>4</b>
MY HYPOTHESIS.....	5
WHAT DO WE MEAN BY EU INTEGRATION?.....	7
<b>PART ONE: THEORETICAL AND STRATEGICAL CONCEPTS OF EU INTEGRATION .....</b>	<b>9</b>
I. FEDERALISM.....	9
<i>A/ Maximalist Federalism .....</i>	<i>9</i>
<i>B/ Minimalist Federalism.....</i>	<i>12</i>
<i>C/ Fischer’s Federalism: .....</i>	<i>12</i>
II. INTERGOVERNMENTALISM .....	17
III. THE “COMMUNITY METHOD” STRATEGY OR SUI GENERIS THEORISING.....	19
IV. THE EU OF TODAY AND TOMORROW: A CONFEDERATION, A FEDERATION OR A COMBINATION? .....	21
<b>PART TWO: DEVELOPMENT OF BRITISH, FRENCH AND GERMAN EUROPEAN POLICIES AND STRATEGIES .....</b>	<b>26</b>
I. THE UNITED KINGDOM (UK).....	26
<i>A/ Historical analysis of the evolution of UK EU policy.....</i>	<i>26</i>
<i>B/ Blair’s EU vision:.....</i>	<i>30</i>
<i>C. British visions of political and economic integration at EU level.....</i>	<i>33</i>
<i>D/ Key EU policy areas for the UK.....</i>	<i>36</i>
II. FRANCE .....	37
<i>A/ Historical analysis of the evolution of French EU policy.....</i>	<i>37</i>
<i>B/ Chirac’s EU vision.....</i>	<i>39</i>
<i>C/ Key EU policy areas for France.....</i>	<i>44</i>
III. GERMANY.....	46
<i>A/ Historical analysis of the evolution of German EU policy.....</i>	<i>46</i>
<i>C/ Schröder’s EU vision .....</i>	<i>47</i>
<i>C/ Key EU policy areas for Germany .....</i>	<i>49</i>

<i>D/ German EU policy in the context of EU integration theories</i> .....	51
<b>PART THREE: INSTITUTIONAL REFORM PROPOSALS TO THE EUROPEAN CONVENTION</b> .....	<b>53</b>
I. THE FRANCO-GERMAN PROPOSAL: THE INSTITUTIONAL ARCHITECTURE OF THE EUROPEAN UNION .....	56
<i>A/ Reform of the European Council:</i> .....	58
<i>B/ Reform of the European Commission</i> .....	61
<i>C/ Reform of the EP</i> .....	63
<i>D/ Reform concerning external action of the Union</i> .....	64
II. THE BRITISH-SPANISH PROPOSAL .....	66
<i>A/ Reform of the European Council</i> .....	67
<i>B/ Reform of the Commission</i> .....	68
<i>C/ Reform of the EP</i> .....	69
<i>D/ Reform concerning external action of the Union</i> .....	70
<i>E/ Reform of the Council of Ministers</i> .....	71
<b>PART FOUR: PERSONAL ANALYSIS OF POTENTIAL INFLUENCES AND ACCEPTABILITY OF THE PROPOSALS TO THE CONVENTION</b> .....	<b>73</b>
I. ACCEPTABILITY OF A PERMANENT COUNCIL PRESIDENT.....	73
II. ACCEPTABILITY OF A DOUBLE-HATTED EUROPEAN FOREIGN MINISTER.....	78
III. TWO SCENARIOS FOR FUTURE EU INSTITUTIONAL ARCHITECTURE .....	79
<i>A/ Scenario 1: Council president is accepted</i> .....	79
<i>B/ Scenario 2: Rejection of the proposed Council president</i> .....	80
<b>CONCLUSIONS</b> .....	<b>82</b>
<b>BIBLIOGRAPHY</b> .....	<b>86</b>

## INTRODUCTION

The European Union (EU) is a successful and unique entity. Its creation was the result of the realisation by six nations of the necessity to co-operate, in order to reconstruct a continent physically, economically and politically devastated by World War Two. Even in the early days of its existence, however, it quickly became apparent that there were vastly diverging views as to what the EU should do and what the greater aim of the “European Project” should be. Through several waves of enlargement, the EU has taken in new Member States (MSs) and the number of fields in which the EU plays a role or has an influence has increased enormously over the last fifty years. The question of the EU’s ultimate role and aim, however, has never been fully addressed. With peace, prosperity and economic development secured, there remain differing viewpoints amongst politicians, academics, theorists and the wider European public as to the *raison d’être* of the 21st century EU. One can argue that the next wave of enlargement, which will reunite Europe after the artificial separation of the continent caused by the iron curtain, has provided the necessary impetus for finally addressing the question of the EU’s finality. The Nice Intergovernmental Conference (IGC) paved the way for enlargement by reforming the institutional framework of the EU for a Union of 25 or more MSs. Some commentators criticised the results, however, and questioned the effectiveness of the IGC process in an enlarged EU. At a European Council meeting in Laeken in 2001, the Heads of State and Government of the MSs announced the creation of a European Convention, mandated to look at ways of improving the functioning and efficiency of the EU as well as trying to find agreement on its future role.

The aim of this paper is to analyse differing theories of European integration and try to see where certain elements of these theories have been incorporated into European policies and strategies of the EU's three biggest MSs: the United Kingdom (UK), France and Germany. This paper also aims to explain the European policy development of these three MSs in relation to the development of the EU as a whole and will try to suggest reasons for certain positions taken by certain MSs. Finally this paper will highlight areas of conflict and divergence between the British, French and German positions but will also attempt to find possible areas of convergence and co-operation. Through this analysis it may become possible to draw some conclusions as to possible developments, positive or otherwise, in the future role and design of the EU.

## **My Hypothesis**

It is undeniable that the EU consists of a combination of intergovernmental<sup>1</sup> and supranational<sup>2</sup> elements. It is the opinion of this author that despite the existence and accelerated development of

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<sup>1</sup> Intergovernmental can be defined as co-operation between the governments of sovereign Nation States (inter-governmental). Policy development and co-operation is only possible if each and every nation is in agreement. Decisions are taken by unanimity and thus each states has a veto right, that is to say the possibility to block policy development for all nations in a certain field if it so wishes.

<sup>2</sup> Supranational can be defined as the existence of common institutions that are both independent of and higher than the authority of the component MSs. In the creation of supranational institutions within the EU, the MS have voluntarily and irreconcilably handed up their sovereign rights in certain policy fields. The EU's MSs' sovereignty is limited by the existence of supranational institutions. However, as it was the MSs themselves who chose to limit their own sovereignty in this way, we cannot argue that these supranational institutions do not represent a real and legitimate power. Decisions are generally taken by Qualified Majority Voting (QMV). This means that individual MSs can be outvoted (loss of veto right) but are nevertheless bound to enforce certain decisions/legislation developed. The

supranational (as well as sub-national) entities, MSs will remain the key actors in the evolution of the EU in the near future. Reform proposals being discussed at the Convention are likely to combine elements of federal, intergovernmental and community method theories of European integration, thus reflecting diverging national interests and strategies towards the future role of the EU. The “trade-off” between fundamental reform and the necessity for consensus is evident. Final proposals by the Convention will probably be similar to “package deals” based on political bargaining, as we have seen in previous IGCs. Consensus and national governments’ desires to retain sovereign control in politically sensitive policy areas will reinforce the intergovernmental aspect, potentially to the detriment of the supranational evolution of the EU.

Before developing this paper further, I would like to acknowledge the self-imposed limitations of my research. When analysing the individual (and sometimes collective) EU policies of the UK, France and Germany, this paper only considers Head of State, government and parliamentary influence. It is clear that a multitude of stakeholders (including business, industry, NGO’s, interest groups and civil society) all have interests in the development of these countries’ EU policies. However, I believe a pertinent analysis of the three Heads of State and their governments’ visions provides sufficient basis for interpretation of their countries EU policies. As far as the evolution of the future of the EU is concerned, this paper will also limit analysis to the influence of these three states. It is clear that Member States of all sizes, as well as the EU institutions themselves, all have a voice in this debate and all have a role to play. Analysis of all these differing positions, however, is not the principle aim of this paper.

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inherent nature of voting by QMV and supranational control in policy fields such as security and defence is undeniably a very controversial political issue.

When reading this paper it is important to bear in mind the multi-faceted nature of influences on the MSs' EU policies and strategies. There are, for example, positions, which are particularly characteristic of one MS or one Head of State. Equally, there are other positions, which are pertinent to two or all three of the Heads of State and their governments. Often MSs' positions evolve due to internal or external EU pressures. Bi-lateral co-operation, inter-state bargaining and external influences (such as the war in Iraq) all have an impact on these states' EU policies and the relationship between them. A consideration of this is essential when looking at the different policies and strategies of the UK, France and Germany.

### **What do we mean by EU Integration?**

Before we look at the theoretical concepts of EU integration, it is important to try to understand exactly what the term means. It is fascinating and demonstrative of the unique nature of the EU project that even in attempting to define the term integration, it seems impossible to find a consensual, unbiased definition. The emphasis of the term also differs in different languages. Hence, "construction européenne" in French implies the creation or building of something. It implies there are architects, builders and a final, fixed vision or concept of what the end goal of the project is to be.

In English and in German the terms "European integration" and "Europäische Integration" seem, at first glance, identical. However, that does not necessarily mean that the word integration has the same connotations in the two languages. The term integration can be interpreted in a minimalist or maximalist manner. A minimalist interpretation would describe EU integration in a similar way the term integration is defined in international relations, that is to say:

*“un processus par lequel des liens se tissent entre des Etats ou directement entre des communautés nationales, et ce a un tel point que le principe de souveraineté nationale s’en trouve remis en question.”<sup>3</sup>*

In this definition the emphasis is placed on co-operation and co-ordination, even if this co-ordination goes to the extent of bringing national sovereignty into question. I would argue that this minimalist definition best describes the British government’s interpretation of the term “European integration”. This definition doesn’t, however, fully acknowledge the development of independent, supranational entities acting on behalf of its composing MS on the international scene.

A maximalist interpretation of EU integration, on the other hand, expressly emphasises the development of such a supranational level:

*“Dans le domaine politique, cela signifie l’apparition d’une entité propre, c’est-à-dire d’un cadre d’action et de référence qui se situe au-dessus des États-nations.”<sup>4</sup>*

In my opinion, this maximalist interpretation of the term integration best describes the German term “Europäische Integration”.

Therefore, the differing emphasis placed on the term integration in each interpretation and in each language must be born in mind when looking at the development of British, French and German EU policies and the visions of their governments and Heads of State.

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<sup>3</sup> “Histoire politique de l’intégration européenne” Fabrice Larat, July 2003

<sup>4</sup> Ibid, p11

# **PART ONE: THEORETICAL AND STRATEGICAL CONCEPTS OF EU INTEGRATION**

## **I. Federalism**

The modern view of a Federal Europe or European Federation pre-dates World War Two but was severely damaged as a result of the dramatic political situation of the 1940s. A federal Europe was seen as a possible solution to Europe's post war predicament. The idea of a European Federation, proposed by certain federalists in the 1940s and 1950s as Europe's most viable option for peace and prosperity, came too soon after the conflict and terrible destruction of the War for many to be able to accept it. Thus it seemed far from realistic and could even be described as utopic. On the other hand, what at that time might have seemed utopic or unrealistic could equally be considered today as prophetic. Although the EU is not today a federal entity, there exist several elements, which are undoubtedly federal in nature. The existence of independent, supranational institutions such as the Commission, the European Parliament and the European Court of Justice, all of whom exert a certain amount of power and influence, illustrate this clearly. A federal EU can be described as in keeping with a maximalist interpretation of the term integration, placing emphasis, however, on the supranational institutions at EU level.

### **A/ Maximalist Federalism**

Post 1945, two different types of continental federalism were proposed, maximalist and minimalist federalism. Maximalist federalists such as Altiero Spinelli envisaged a "bottom up" form of

European federalism, with the introduction of federal principles in wider society based on the principal of subsidiarity.<sup>5</sup> Integral federalists such as Alexandre Marc or Denis de Rougemont saw the establishment of the European Communities as a necessary step towards a fully federal Union. They were strongly opposed to nationalism and fascism and saw federalism as fundamentally superior. They saw the development of European Federalism as organic and having its roots in the development of non-state, societal actors at all levels: local, regional, national and supranational.

According to Roemheld:

*“Their ideas for an alternative model for the EU to that of the modern centralised nation-state are rather utopian and unconvincing”<sup>6</sup>.*

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<sup>5</sup> The subsidiarity principal was formally incorporated into the EC Treaty (article 3b). It can be defined as follows: Powers shall be allocated to the level of administration closest to the citizen. Responsibility will only be given to a higher level if the lower level is unable to develop policy satisfactorily. Whilst this principal was institutionalised with the EC Treaty it is essentially a political principal and not a judicial one. It is therefore very difficult to judge which level is responsible for certain policy fields. This becomes all the more difficult in areas of parallel competence between EU and MSs (e.g. economic subsidies) and in areas of competitive competence, for example transport policy. It can also have a paradoxical effect of centralising power if it is left up to a Constitutional Court (federal level) to decide the constitutional separation of competencies and to interpret these in cases of conflicts of interest. This has occurred in Germany, where the Länder have seen their competencies removed by the court due to the federal government claiming legislative responsibility in certain domains under article 72 of the Grundgesetz. In the context of the Convention some members and MSs are arguing that a list of different competencies for the different levels, based on the principle of subsidiarity would make the EU simpler, more understandable and therefore more democratically legitimate. Others, however, argue that the EU's development into a more supranational entity is thanks to supranational institutions' ability to interpret their roles and therefore a rigid list of competencies would stop this constructive creativity.

<sup>6</sup> Roemheld in Michael Stein's "Changing Concepts of Federalism since World War Two", International Political Science Association, 1994

The gift of hindsight provides some justification for Roemheld's comment. As we will see when we analyse intergovernmentalism, the critics of federalism at EU level emphasise the continuing importance of the European Council's role as well as that of IGCs in providing the impetus and general guidelines for EU development.

However, there are certain elements of EU integration, which are incorporated into maximalist federal thinking. The development of a supranational economic structure, such as the European Coal and Steel Community (ECSC) is an example of transnational integration in a certain sector. This sector was chosen as the first sector for integration after the war for two reasons. Firstly, it was seen as a vital sector in the preparations for war. The idea of creating a common market in this sector was to reduce the threat of war in Europe. Secondly the rapid re-development of these industries was a pre-requisite for the general physical and economic redevelopment of the continent. The functional development of certain economic spheres at a transnational level forms the basis of "functionalist"<sup>7</sup> theory and is in keeping with maximalist federalism. In the context of European integration, the development of supranational entities to oversee transnational economic co-operation (such as the High Authority, the precursor to the European Commission) would lead to "policy spillover"<sup>8</sup> and "political spillover".<sup>9</sup>

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<sup>7</sup> Functionalism is based on the liberal idea of transcending the nation-state. The author of the theory, Mitrany, was distrustful of politicians and states, believing in the formation of technical or functional organisations in order to increase European integration.

<sup>8</sup> Transnational co-operation in one economic sector will necessitate co-operation in another economic sector. At EU level we can take the example of the ECSC spilling over into the development of a European transport policy. The latter is necessary for the effective functioning of the former.

<sup>9</sup> Political co-operation at supranational level becomes both essential and desirable and policy spillover develops. Hence, we see the creation and development of supranational institutions.

The main problem with maximalist federalism is its radical nature. Whilst in essence its aims can be considered as positive and even desirable, a total upheaval of European society along the lines suggested by maximalist federalists has not occurred and is unlikely to do so in the future. The idea of getting rid of the nation state and replacing it with an empowered supranational level ( a federal European state) is neither politically acceptable or desirable according to several Heads of State. Maximalist federalists were unable to exercise political influence after the late 1940s and thus their ideas as a whole must today be considered as essentially theoretical.

### **B/ Minimalist Federalism**

Minimalist federalism is less revolutionary in nature but still proposes a strong role for supranational institutions in a wide range of policy fields (economic, security, defence). It also emphasises the importance of citizens' rights and the protection of minorities, ethnic groups, collectives and individuals. In general we can see more elements of minimalist federal influence in the EU than those of maximalist federalism. Administrative decentralisation, better representation for smaller states and the social and moral aspects of the EU, through regional policy and economic and social cohesion all have, to a certain extent, a basis in minimalist federal thought.

### **C/ Fischer's Federalism:**

It was Joschka Fischer, Germany's enigmatic and influential foreign minister, who relaunched the debate concerning the future direction or finality of the EU during his memorable speech at the Humbolt University in Berlin on 12th May 2000. Supposedly speaking in a personal capacity, his enthusiastic and optimistic speech reconfirmed to the audience and the greater European public

his convictions for a future federal Europe. In an impassioned introduction he spoke of the dangers of stagnation or even regression in EU integration. He claimed that greater political integration and the formation of a federal Europe were the only way for the EU to evolve in a positive manner, especially in the face of the drastic evolution, which will be brought about by enlargement.

I believe Fischer's federalism contains elements of maximalist and minimalist federalism. His propositions for institutional reform are definitely radical in nature and can therefore be described as in keeping with previous maximalist federalists. However, Fischer sees governments and political elites as essential in trying to advocate such reforms. This differs from the maximalist federalists' "bottom up" approach.

In his speech, Mr Fischer went on to link the importance of enlargement to EU security interests. He sees enlargement as:

*“Une chance unique d’unir dans la paix, la sécurité, la démocratie et la prospérité notre continent secoué par les guerres durant des siècles.”<sup>10</sup>*

He also implies it is only natural that sovereign states, after taking the economic and politically symbolic step of irrevocably linking their economies through the creation of the Euro, work together in order to ensure their physical, economic and financial security.<sup>11</sup> This is, in Fischer's mind, an example of the logic of spillover, forwarded by functionalist and neo-functionalist<sup>12</sup> theory. As far as

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<sup>10</sup> Joschka Fischer's speech in "Le nouveau débat sur l'Europe", p 181, Presse d'Europe, 2002

<sup>11</sup> Ibid

<sup>12</sup> Neo-functionalism is a second-generation theory of integration, based on the theories of functionalism and federalism. It can be largely defined as encompassing the emergence of a supranational state, with an independent institutional structure (federalism), as well as the growing role of interest groups that transcend the nation-state (liberal principal of technical organisations furthered by functionalism).

Fischer is concerned, enlargement represents a critical juncture. He admits his vision for a federal Europe is a long-term one but he defends it by repeating the necessity for reform “*refondation politique délibéré de l’Europe*”<sup>13</sup> of the EU’s institutions due to enlargement:

*“Comment s’imaginer en effet un Conseil européen à trente chefs d’État et de gouvernement?”*<sup>14</sup>

Through a federal Europe Mr Fischer envisages the creation of a single European government (either in the form of a re-modelled EC, with all MSs represented, or an empowered European Commission). This single body would replace the current Commission and European Council. This European government will act as executive and exist alongside a bi-cameral European Parliament (EP) which will act as legislator. Fischer sees a bi-cameral EP as the most efficient way of ensuring the interests of both the citizens and the MSs in the legislative process (each being represented in one chamber). Such a federation would be based on a constitutional treaty.<sup>15</sup>

Fischer speaks of the importance of preserving the nation-state but speaks also of a shared sovereignty between the nation-states of Europe and the Union. He underlines the importance of the principle of subsidiarity in order to avoid an unnecessary accumulation of power at supranational level.

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<sup>13</sup> Ibid, p189

<sup>14</sup> Ibid, p183

<sup>15</sup> Ibid, p183

Mr Fischer sees several stages in the development of a federal EU. Firstly he envisages an extension in the use of enhanced co-operation<sup>16</sup>. He remains pragmatic concerning the future form of such co-operation but he highlights the Euro and Schengen as successful examples of existing greater political co-operation between those MSs that are both willing and able to do so. He describes enhanced co-operation as:

*“tout d’abord rien d’autre qu’une intergouvernementalisation renforcée”*<sup>17</sup>

This cleverly worded definition is, in my opinion, an attempt to reassure certain MSs that are sceptical about European federalism that MSs will not lose all influence within a federal Europe. Secondly he sees the creation of a *“centre de gravité”*<sup>18</sup> as an intermediary step between enhanced co-operation and a fully federal Union. He underlines that the development from one stage to the next may not happen automatically and he is clear that any enhanced co-operation or avant garde movement, be it inside or outside the treaties, should not be exclusive, thus allowing any MSs not originally involved to participate at a later date.

Joschka Fischer’s view of a federal Europe follows the classic development of a confederation into a federation. However, there are several aspects of Fischer’s federalism that are particularly problematic. Whilst Mr Fischer claims to realise the importance of nation-states, especially within “Old Europe”, his vision of a federal Europe does not enjoy wide-spread acceptability within the MSs today. A vision such as federalism must have popular support in order to be considered a

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<sup>16</sup> I would define enhanced co-operation as co-operation within or outside the treaties between a certain number of MSs, which are willing and able to develop policy further than other MSs in a specific field. Such enhanced co-operation must not contradict EC legislation and must be open to all other MSs that wish to take part at a later date.

<sup>17</sup> Ibid, p189

<sup>18</sup> Ibid, p187

viable option, particularly at EU level. The maximalist federalist Denis de Rougemont recognised the importance of this as early as 1947 when he spoke of:

*“une poussée populaire, forçant la main aux gouvernements”*.<sup>19</sup>

Like the maximalist federalists of the 1940s and 1950s, Fischer must be applauded for his strength of conviction. What is more, his speech can most definitely be credited for accelerating the debate on the future of the EU. However, I unfortunately feel that like his maximalist predecessors, his view will remain, at least for the short term, a minor one and therefore a truly federal Europe will remain unrealistic.

Mr Fischer's view is not just a minor one amongst European citizens but, more importantly, it is also a minor one amongst EU leaders. Whilst he can naturally count on the support of most Commissioners and Members of the EP (MEPs) due to the increased power and importance these supranational institutions would receive in a federation, he commands significantly less support amongst Heads of State and Government. As it is ultimately the Heads of State who take the final decision on any further transfers of sovereignty from national to supranational level (thus voluntarily limiting or reducing their own influence), it is necessarily these individuals who Fischer most needs to have as supporters. It is revealing to note that, even in the beginning, European integration began in a broadly accepted domain, namely economic integration, and that consensus in a more controversial domain, namely political co-operation, was not possible. This underlines the influential role MSs have always enjoyed and continue to enjoy today. As long as consensus continues to be considered as more important than greater efficiency through radical institutional

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<sup>19</sup> Denis de Rougemont, “L’attitude fédéraliste” report to the first annual congress of EU federalist, Geneva, August 1947

reform, a federal Europe seems unlikely. This is also true as long as such a vision remains a minor one amongst Heads of State.

Furthermore there are several technical problems with Fischer's vision. We have seen in consecutive IGCs just how difficult it is to find agreement on issues such as the number of weighted votes in the EC or the number of seats for the respective MSs in the EP. It is impossible to imagine 25 MS being able to agree on the nature and composition of a European government as executive (based either on the EC or the Commission), especially when federalism does not command wide spread support. Furthermore, the decision making process would again need to be amended if a bi-cameral EP were to be created. This is easier said than done, as such institutional reform would require treaty amendment, which demands unanimity. This problematic highlights a major difference between a confederation and a federation. In a federation treaty reform is possible by QMV. However, the question as to how to encourage the progression of a confederation to a federation by successfully persuading all MSs to accept such a change remains unanswered.

The legitimacy of the EP has also been brought into question recently, as citizens feel disconnected from the EU or don't fully understand its importance. This has manifested itself by extremely low turnouts in all MSs for EP elections. Such issues raise doubts as to the legitimacy and acceptability of a federal Europe.

## **II. Intergovernmentalism**

The major proponent of intergovernmental theory of recent years is Andrew Moravcsik who created the theory of liberal intergovernmentalism (LI). He defines his theory as follows:

*“...European integration can best be explained as a series of rational choices made by national leaders.... [which] respond to constraints and opportunities stemming from the economic interests of powerful domestic constituents, the relative power of each state in the international system, and the role of the international institutions in bolstering the credibility of interstate commitments.”<sup>20</sup>*

Liberal intergovernmentalism locates the evolution of the EU within the ‘realist’ tradition of international theorising. It can be described as in keeping with a minimalist interpretation of the term integration. LI proposes three core propositions: firstly, it assumes that state behaviour is rational and secondly it purports a liberal theory of national preference formation, that is to say MSs governments are mandated by national interests and therefore are active macro-economic players, accountable to domestic voters. Thirdly, Moravcsik explains interstate deals as the result of intergovernmental bargaining. He claims MS sovereignty is delegated to supranational institutions in order to consolidate interstate bargaining. A certain convergence of national preferences is desirable for companies and governments alike in order to reduce transaction costs and increase the pooling of information. National preference convergence and increased co-operation at international level have increased over recent years for multiple reasons, including globalisation, economic liberalisation, increased levels of international terrorism etc. All these phenomena and others besides have forced nation-states to co-operate, yet Moravscik is convinced the EU, which he sees as a sophisticated international regime, remains largely explainable by standard theory of international co-operation.

As was the case with the federal and neo-functional theories, there are several criticisms which can be made against LI. Firstly it is important to highlight that each of these theories scrutinise different

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<sup>20</sup> A Moravcsik, p 18 “The choice of Europe”, 1998

areas of the integration process and ignore those areas which their theories cannot explain. Hence, neo-functionalism and federalism are unable to explain the stop-start nature of European integration and the continual dominant role of the EC in relation to the EP or Commission concerning EU development. Equally, Moravcsik fails to fully acknowledge the independent and influential role of supranational institutions such as the EP or European Court of Justice (ECJ).

Secondly, the idea of “path dependency” forwarded by [historical] institutionalists challenges the rationalist model of preference formation. Past decision can have “lock-in” effect for MSs, constraining MSs national preferences and thus creating an independent role for EU institutions - both single and collectively in the integration process.

Thirdly, there is the idea that “membership matters”. This challenges intergovernmental bargaining by suggesting that membership and joint policy-making arrangements can alter and shape national preferences. This highlights a lack of total control by national governments over their national preference formation.

Finally, increased levels of economic liberalisation and international trade coupled with the development of trans- and multinational corporations have introduced new non-state actors onto the international scene. Whilst it can be argued that their direct influence is limited, their existence is another example of the dilution/reduction of nation-state control.

### **III. The “Community Method” strategy or Sui Generis Theorising**

The Community method places emphasis on the “inter-institutional triangle”, that is to say the roles of the three main institutions at European level: the Council (European and Council of Ministers),

The European Commission and the European Parliament. The Community method can be described as in keeping with the maximalist interpretation of the term EU integration, in the sense that the supranational level (including the European Council) replaces the nation-state in certain policy fields. The different but essential role of each of these institutions in the formation and development of policy and the nature of the Union is essential to the Community method theory. The theory sees the Commission as the initiator of policy, The Council of Ministers, acting mostly by QMV as the decision-maker, the EP acting as joint decision-maker alongside the Council under co-decision and the ECJ as the judicial control. The fundamental principle behind this theory is the important balance between these three institutions, in order to ensure the EU represents the interests of its citizens and its composing MSs. The theory doesn't exclude the development of a more supranational Union; however it also does not underestimate the important and influential role of the European Council as a European intergovernmental institution, a criticism that can be directed towards the federalist theory.

The Community method can be seen as a *sui generis* theory, a theory that explains the organic development of the EU as a process, without hinting at a specific finality. In recent years the Community method has been criticised as no longer being relevant and unable to allow the EU to adapt itself in order to efficiently tackle new problems. I personally disagree with this analysis. By not having a distinct finality for EU integration, the Community method is far from being outdated or rigid. On the contrary, it is flexible and adaptable, as it does not undermine the supranational or the intergovernmental elements of the EU. It neither rules out the possibility of an empowered supranational element, nor does it say such a development is inevitable. It can be seen as a pragmatic theory, which describes the ad hoc nature of EU integration and its evolution. It places the emphasis of future EU development on the individuals within the three institutions and on their personal capacities or desires to strengthen one or all of the institutions. The theory highlights the

importance of each institution and its own particular role in the functioning of the Union. Whilst any alteration in the balance of power between these institutions in favour of one or another is possible, the Community method insists that both intergovernmental and supranational institutions will have a continued role to play.

This theory represents the model by which the EU has developed thus far. Joschka Fischer believes the Community method only has:

*“une utilité limitée pour l’intégration politique et la démocratisation de l’Europe”*<sup>21</sup>

I believe the theory’s acknowledgement of a specific and individual role for each of the institutions has been successful in allowing adaptation and development in the past. It is clear that a federalist like Fischer will find an adaptation or evolution of the Community method as an inferior reform solution to a classical federal Union. However, the combination of intergovernmental and supranational elements in the Community method, and its flexibility on the weighting of these two opposing elements, make it a more likely option when searching for consensual backing. I therefore believe that certain elements of the theory will remain pertinent for the future development of the EU’s institutional framework.

#### **IV. The EU of Today and Tomorrow: a Confederation, a Federation or a Combination?**

When considering federalism as a model for future EU integration, it is important to put the EU’s past developments in a larger historical context. After the war, economic integration at EU level was acceptable to all 6 founding MSs. This consensus went as far as allowing the creation of the

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<sup>21</sup> Joschka Fischer’s speech in “Le nouveau débat sur l’Europe”, p 186, Presse d’Europe, 2002

first supranational entities, such as the European Coal and Steel Community. However, the idea of political integration was deemed too radical or simply impossible at this time. Political unity, and the development of common policies in the fields of defence, foreign policy and external relations, was and remains to this day relatively weak. This lack of European political unity becomes clear when compared to the power and functions exercised by the long established nation-states of Europe. Such a lack of unity must be born in mind when considering the viability of a federal Europe today.

When one looks at the development of the USA into a federation, one immediately notices an important difference between the USA and a federal vision for Europe. Even before the American Civil War each of the states accepted the federal level as the legitimate authority in the fields of defence and security. It was this political unity which allowed the federation to exist and evolve. The concentration of power at federal level in internal (e.g. economic) as well as external affairs came about only afterwards.

In the case of EU integration, we see the exact opposite scenario. The appearance of the nation-state in Europe marked the start of the modern era and the end of feudalism. Industrial development and the creation of market economies increased the necessity for central control and authority. Trade, including international trade, led to nation states developing independent national policies including defence, security and external affairs. A concentration of power at nation state level reinforced political, economic and cultural unity of European countries.

At this time, any examples of co-operation between nations were seen as bi-lateral co-operation between sovereign nations. An extension of this idea of sovereign co-operation from bilateral to multilateral level, is the creation of a confederation. Strong sovereign nation states, coupled with

increased levels of nationalism throughout Europe in the 19th and 20th centuries, promoted the exclusive vision of national unity. The development of often diverging but ultimately **national** policies, especially amongst the large MSs of the EU, has evolved over a long period of time.

I believe this rationale could be used to explain why the national level and the nation state still play an important role in the political and cultural identities of European nations today. Moreover, this rationale might explain the UK's and France's attachment to the importance of the national level and their desires to ensure national control at EU level is preserved, namely through a strong European Council. Furthermore, this rationale could also explain the difficulty federalism has in convincing politicians and citizens alike that additional reduction of national power is essential in order to have a strong and effective federal EU that is a major power in both internal and external affairs. In an EU federation sovereignty would only exist at the EU level.<sup>22</sup> Several MS, including France and the UK, seem unwilling to give up their national sovereignties completely, which still exist, to a larger or lesser extent, in the current EU system. It is understandable that such "old" states, which have established national policies and interests over centuries, are wary about handing over this power to "young" supranational institutions. It will naturally take time for such a wariness to dissipate.

The unique combination of confederal and federal elements in the EU can be seen as either a strength or a weakness. More intergovernmentalist minded nations emphasise the confederal elements as a strength. Multiple sovereignties are essential for EU action to be democratically legitimate and to ensure such collective actions at EU level are unanimously agreed upon. The

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<sup>22</sup> Sovereignty is defined here in this sense of the supranational level alone enjoying the "competence of the competence".

intergovernmentalists are wary of the federal elements in the EU and are unsure of handing up power to a supranational level they deem less democratically legitimate than the nation state and less representative of their particular national interests. Intergovernmentalists emphasise the political, economic and cultural specificities of the MS and feel preservation of this diversity can best be assured through strong confederal elements. They see the concepts of nation-state and national sovereignty as still being relevant to modern European societies and the project of European integration.

Federalists, on the other hand, see the confederal elements in the EU as a weakness and the cause of an non-unified and weak supranational level. They question the relevance of a strong nation-state and the importance placed on national sovereignty in a modern, globalised world. Federalists emphasise the existence of certain values, ideas, beliefs and systems, be they economic or political, which are common to the European continent. They believe a federal EU would be the best answer to common modern and post modern challenges or threats such as globalisation, environmental issues, security issues, international crime or terrorism. All these issues affect each MS and therefore collective action is both appropriate and necessary. The inherent trans- or international nature of these issues highlights the nation states' inability to act effectively in a national context. Thus, a federation is not only desirable but also essential in the 21st century.

I personally am unsure as to how we can most accurately describe the EU of today. I am even more unsure of what the EU of tomorrow will be like. What is certain, however, is that today's EU is undoubtedly something more than a confederation but cannot be described as a federation. Whilst I can understand the appeal of a federal EU, it seems an unrealistic goal in the short term. Currently, the passage from a confederation to a federation is neither a guarantee nor a desire of all MSs.

This leaves us to ponder what the chosen path for further integration will be. In general, I see intergovernmentalism and the preservation of national sovereignty as backward looking and defensive. I see federalism as a more modern, open and forward-looking option.

We will now look at British, French and German policies and visions for EU integration. Analysis of these policies will highlight the lack of unity and clarity in the MSs' views of the EU project's finality. It will also question the pertinence and desire for ever-greater levels of integration and evolution at supranational level.

## **PART TWO: DEVELOPMENT OF BRITISH, FRENCH AND GERMAN EUROPEAN POLICIES AND STRATEGIES**

### **I. The United Kingdom (UK)**

#### **A/ Historical analysis of the evolution of UK EU policy**

The UK represents one of the EU's biggest and richest MSs in terms of population, economic power, wealth, history and culture. However, the UK's European policy traditionally differs from those of other large, continental MSs in a number of areas and for multiple reasons.

Firstly, it is important to consider the geographic specificity of the UK as an island. The UK traditionally feels not quite truly part of the EU, due to it not belonging geographically to the continental European mainland. This "island mentality" has been compounded by Conservative Prime Ministers (PMs) such as Mrs Thatcher or Mr Major, who untiringly spoke of UK/EU relations as conflictual. They created, for example, the idea of "us and them" and often referred to trips to Brussels as "going to Europe". In itself, there is nothing about being an island, and therefore not being part of the continental mainland, which justifies this isolation or distance between the UK's position and those of other EU MSs. Indeed Ireland, geographically one of the UK's closest neighbours, is also an island; yet it represents one of the most pro EU MSs and is a successful example of the importance EU membership brings. It is historical, rather than geographical reasons that are more revealing when it comes to understanding and explaining the UK's EU policy.

As an old and established country, the UK has a very strong and traditional view of the concept of the nation. This is compounded by the fact that the UK has no written constitution. The relative homogeneity of British society until the 20th century, combined with the enormous power and wealth associated with both the British Empire and later with the Commonwealth, meant that the concepts of nation-state and sovereignty were equally strong. The historical importance of these concepts goes some way to explaining the UK's unease at the idea of independent supranational institutions. To this end, federalism is often referred to as the "F" word, an allusion to something offensive and undesirable. A preference for intergovernmentalism, where each MS retains its sovereignty, is thus understandable.

The prestige and economic power of the Commonwealth and the relatively small amount of physical, economical and political damage caused by World War II were the main reasons why the UK was not a founding member of the EU, despite other MSs' desires for it to be so. The quick demise of the Commonwealth and the relative economic superiority of mainland European economies vis-à-vis the British economy meant that the UK finally joined the EU in 1973.

It is important to remember that EU development since 1945 is based on the Westphalian model of nation-states. This model naturally opposes the development of supranational entities. The UK played an influential role in shaping EU integration post 1945. From the very start of the EU project the UK was against political integration and the development of a supranational Europe. At this time, increased co-operation between European countries was a key demand of the US government in exchange for economic aid in the form of the Marshall Plan. However, the US government's true desire for the development of a strong, united political Europe was as uncertain then as it is today. What seems curious is that, in refusing to participate in political co-operation post 1945, the UK rebuffed US demands, yet still remains their closest ally.

Whilst the UK opposed the development of supranational institutions, it was a founding member of several key international organisations, including the OECE in 1948, the Council of Europe and NATO in 1949 and EFTA in 1960. The common feature of all these organisations is their intergovernmental nature. The UK's willingness to co-operate, as long as this co-operation is intergovernmental, is a key feature of UK EU policy from 1945 until the present day.

The contrast between the UK's penchant for intergovernmentalism and France and Germany's acceptance of supranationalism reveals fragmentation within Europe's economic and political development. This lack of consensus for EU supranational development post 1945 can still be seen as affecting current EU development. It explains the continued strength of intergovernmental institutions, as each MS can be sure that within such institutions their national interests will not be ignored (veto right).

The UK's date of entry into the EU is also important when searching for reasons for UK euroscepticism. Joining in 1973, the UK didn't enjoy to the same extent the economic gains of the boom years of the 50s and 60s. By the early 70s economic recession hit in, fuelled by the oil crisis. High levels of inflation and unemployment led to social unrest and public sector strike action. Consequently, the British public immediately associated EU membership with hard times. This led to public resentment towards the EU, albeit unjustifiably. This was also due, in part, to the continued economic superiority of other EU MSs, especially Germany.

Another consequence of the events of the seventies was the rise to power of Mrs Thatcher in the early 1980s. Her neo-liberal economic policies were in stark contrast to traditional European visions of society and fundamental EU ideas such as solidarity and co-operation. Mrs Thatcher's

personal friendship and shared political and economic beliefs with Mr Reagan strengthened the already close alliance between the UK and the USA. To this day British/American relations remain an essential priority of British policy. This “special relationship” has become all the more important for the UK over recent years, since the USA has become the sole superpower. Hence, the UK has diplomatic, economic, security and strategic investments in its relations with Washington. The linguistic tie between the UK and USA is certainly another factor for the strength of UK/US relations.

The UK has always been considered a problematic partner within the EU. It has often been unclear as to the UK’s commitment to the EU, mainly due to this ardent relationship with the US. The UK rebate at Fontainebleau, UK opt outs concerning Economic and Monetary Union (EMU) and the Social Charter at Maastricht and the UK’s refusal to participate in Schengen are just a few examples of the difficult nature of the relationship between the UK and its EU partners. The priority of UK/US relations upset other EU MSs and led to an increased distancing between their EU visions and that of the UK. Consecutive PMs have attempted, in differing degrees and with differing amounts of success, to find the balance between UK/US and UK/EU relations. Mr Blair has a vision of the UK as the bridge between the EU and the US.<sup>23</sup> The problem is that this is not a vision that is shared or desired by other European MSs.

I regrettably feel that the UK’s EU policy, more so than any other MSs’ policy, must be characterised as selfish and uncompromising. Historically, the principles of solidarity and the common good seem to me to be a lot weaker in the UK than in other European states. This is principally due to an Anglo-American vision of society and individuals. Consecutive Conservative governments’ policies reduced trade union power, made low levels of investment in the public

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<sup>23</sup> “Europe’s political Future” Speech by Mr Tony Blair at the Polish Stock Exchange, Warsaw, 6th October 2000

sector, initiated wide spread privatisation of previously nationalised industries and placed an important amount of prestige on the entrepreneur and the self-improvement of the individual. Such policies can arguably be seen, in part, as one of the reasons for the UK's relative economic strength in recent years, thanks mainly to increased labour market flexibility. However, such policies can equally be blamed for wide scale unemployment, increased levels of social exclusion and an ever-increasing gap between rich and poor. These policies are in direct opposition to the ideals of the EU and the policies of several mainland EU MSs. On a more positive note, we must acknowledge the UK's excellent record in respecting deadlines for implementing EC Law or adapting national law to conform with EC law. In this respect the UK can be seen as the good pupil, giving a positive example to other EU member states, including France and Germany. Such readiness to promptly accept EC law is not in keeping with the UK's distaste for supranationalism. It does, however, underline the UK's respect for its legal commitments to the EU. It is the political and visionary elements of further supranationalism or even federalism at EU level, which the British have trouble accepting.

### **B/ Blair's EU vision:**

Since the arrival of Mr Tony Blair at 10 Downing Street, there has been greater desire, or at least a perceived desire, to play a key role in the EU and in its evolution. Speaking about Europe's political future in 2000 in Warsaw, Mr Blair spoke of his desire for the UK to be an: "*influence at the centre of Europe*".<sup>24</sup> This speech, a British response to Fischer's speech in Berlin, highlighted the evolution of UK EU policy. Speaking of Europe as a simple free trade area, Mr Blair said this vision:

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<sup>24</sup> Ibid

*“nowhere near answers what our citizens expect from Europe... They want more than just free trade. They want: prosperity, security and strength”<sup>25</sup>*

The UK realises that in a globalised world with new threats and challenges, it is no longer possible for sovereign nation-states to act alone. This realisation has meant that the UK, albeit primarily as it is in its own national interest, has started to accept the idea of a supranational EU. The priority for Blair's EU policy is for the UK to actively play its part in shaping the EU's evolution. In short, Blair's ambition is for the UK to be a *“full partner in Europe.”*<sup>26</sup>

Later in the same speech, however, Blair rejects the classical federalist vision as a viable option for the Europe of today. Mr Blair's definition of federal, the creation of a European superstate, differs from that of Mr Fischer. Whilst Blair sees a federal Europe as:

*“subsuming nations into a politics dominated by supranational institutions”<sup>27</sup>,*

Mr Fischer underlines the importance of the preservation of national identities and cultures within the EU and argues that a European federation is the best way to safeguard this diversity:

*“C'est uniquement si l'intégration européenne conserve les États-nations dans une telle Fédération, qu'elle ne dévalorise pas”<sup>28</sup>*

Blair's rejection of a federal Europe as the best way of reforming the EU institutional framework at present is, in my opinion, both convincing and logical. Blair's most persuasive justification for rejecting a federal EU is that it: *“fails the test of the people”*.<sup>29</sup> He states:

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<sup>25</sup> Ibid

<sup>26</sup> “Consolidating the EU” by Tony Blair at the SPD party conference, Nürnberg, 20th November 2001

<sup>27</sup> Ibid

<sup>28</sup> Joschka Fischer's speech in “Le nouveau débat sur l'Europe”, p 183, Presse d'Europe, 2002

*The truth is, the primary sources of democratic accountability in Europe are the directly elected and representative institutions of the nations of Europe - national parliaments and governments”<sup>30</sup>*

Blair goes on to say:

*“That is not to say Europe will not in future generations develop its own strong demos or polity, but it hasn’t yet”<sup>31</sup>*

I wholly agree with this opinion. I believe Blair’s view is a positive and open-minded one but at the same time a realistic one. Blair implies that a federal Europe might well evolve over the course of the first half of the 21st century. What’s more, he does not say this would be a negative evolution, something that is typically associated with past British politicians. He simply states that it is unrealistic to consider this as a plausible option for institutional reform in the face of impending enlargement. It is for these reasons that for Blair, Europe should be defined as:

*“a Europe of free, independent sovereign nations who choose to pool that sovereignty in pursuit of their own interests and the common good, achieving more together than we can achieve alone. The EU will remain a unique combination of the intergovernmental and the supranational. Such a Europe can, in its economic and political strength, be a superpower; a superpower but not a superstate”<sup>32</sup>*

Mr Blair’s vision of Europe, a Europe of nation-states is, to my mind a combination of intergovernmental and community method theories. Mr Blair’s world vision represents another important divergence between himself and his French and German counterparts. Blair sees the

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<sup>29</sup> “Europe’s Political Future” Speech by Mr Tony Blair at the Polish Stock Exchange, Warsaw, 6th October 2000

<sup>30</sup> Ibid

<sup>31</sup> Ibid

<sup>32</sup> Ibid

existing and future world order as being uni or monopolar, that is to say the US will, in Blair's mind, remain the sole world superpower. The EU must therefore form a "partnership" with its Atlantic ally in order to try and influence US action. Through supporting the US as the sole pole of power, Blair believes the world will be a safer and more stable place. Contrary to this vision, Chirac and Schröder, as well as Putin, believe future world stability would be further enhanced in a multi-polar world. They see EU/US relations as unbalanced in a mono-polar world and believe the EU can only have a real influence on US policy if EU political unity is augmented.

Blair's European vision confirms my interpretation of the UK government's definition of the term "integration" in a minimalist sense. Further analysis of UK priorities in EU policy, including concrete proposals by the UK concerning institutional reform and the evolution of the EU and their analysis will be dealt with later in this paper. This further analysis will allow us to look in more detail at British EU policy in the context of EU integration theories.

### **C. British visions of political and economic integration at EU level**

Despite a more open-minded and pragmatic view regarding European integration, especially political integration, I believe the UK still sees the EU as essentially an economic union, an area of free trade. Whilst in political speeches, such as his speech in Poland, Mr Blair speaks of the EU in terms larger than just economic or free trade, his refusal to give up the UK rebate shows the difference between rhetoric and action. I see this is an example of a lack of European solidarity or an acknowledged rejection of European social values.

Britain and Blair still think of Europe in terms of national interest and what they can personally get out of it, rather than what Europe would gain collectively if it were more united through supranational

institutional reinforcement. Whilst I see this is an understandable position, it is nevertheless regrettable and can be considered as damaging to EU strength and unity on the international scene (e.g. the effect of diverging MSs' positions on the Iraq war for the future Common Foreign and Security Policy [CFSP]). I believe convincing Blair and other intergovernmentally minded Heads of State to relinquish power in certain policy areas, in order to hand them up to supranational institutions, is the biggest challenge to a federal EU.

An important difference between British EU policy and French and German EU policies is the idea of political integration. Whilst the UK recently claims to be more open to the idea of greater political integration, this idea has been widely accepted as the EU's finality in France and Germany since the beginning of the European project:

*"The French and Germans were agreed that European integration would be political; it would be supranational, not just international."*<sup>33</sup>

In a speech outlining his vision on the future of an enlarged Europe pronounced in May 2001, Lionel Jospin, then PM of France, underlined this by saying:

*"Europe is first and foremost a political undertaking"*<sup>34</sup>

For its part the Bundesrat, Germany's second chamber made up of Länder (federated level) PMs, reconfirmed its conviction to European political integration in a decision reached on the 12th July 2002, where it stated:

*The European Union is to be a political union that is close to the citizen."*<sup>35</sup>

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<sup>33</sup> "Franco-German friendship and the destination of federalism" by Dr Martin Holmes

<sup>34</sup> "The future of an enlarged Europe" by Lionel Jospin, 28th May 2001

<sup>35</sup> Bundesrat resolution Having regard to the themes of the Convention on the future of the EU, 12th July 2002

These quotations remind us of the French and German interpretations of the term “construction européenne” and “Europäische Integration”. They also reiterate France and Germany’s commitment to political integration in a supranational Union.

The UK, however, accepts **economic** integration as an aim of the EU but has never been politically united behind the idea of European **political** integration. Speaking in November 2001 at the opening of the European Research Institute, Blair made a convincing pro-European speech entitled: *“Britain’s future is inextricably linked with Europe.”* In this speech Blair criticised past UK EU policy, saying it had *“failed Britain’s interests”* and saying *“Britain was left behind”*. However, it is not coincidental that, when speaking of Britain’s future role in Europe, Blair starts by talking of Europe in terms of economic interest and especially British economic interests:

*“Inside Europe we must push for economic reform and modernisation... ..we need to ensure that the EU recommits to the path of economic reform to liberalise electricity and gas markets, unify financial markets, develop more flexible labour markets... This is critical for Europe’s future success.”<sup>36</sup>*

This underlines the distance between UK EU policy and the policies of other MSs, especially concerning political integration. It explains Britain’s wariness towards further supranational power and its insistence on the intergovernmental European Council as remaining the most important European body, defining EU evolution unanimously. Franco-German acceptance of political integration also explains the naturally close co-operation between France and Germany, a co-operation that was formalised with the Elysée Treaty of 1963. It is understandable that the UK, which continually fails to prove its conviction to EU political integration, is not part of this partnership. It can also be argued that because of this, and in spite of Mr Blair’s desire for the UK

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<sup>36</sup> “Britain’s future is inextricably linked to Europe” by Tony Blair, 23rd November 2001

to play a central role in the EU, the UK's role and influence within the EU will remain peripheral or subordinate to the role and influence of France or Germany:

*“The Franco-German relationship remains the motor of the Union. Despite its weight, Great Britain cannot yet have in Europe the same role as those countries which have created the Euro.”<sup>37</sup>*

#### **D/ Key EU policy areas for the UK**

The CFSP and defence have recently become key UK EU policy concerns. The UK has played a leading role, since 1998, in the development of a Common Foreign and Security Policy (CFSP) and a European Common Defence Policy (ECDP). Britain's superior military capacity vis-à-vis other EU MSs and its professional army naturally allow the UK to play a prominent role in this field. Whilst recent events in Iraq question the possibility of a CFSP in the near future, London has realised that it cannot conduct an effective security policy alone. Regular meetings and negotiations at European level aim to develop the CFSP into a truly united policy area, which will possibly become a competence of the EU, at least in part. The UK remains unwilling to pool sovereignty and therefore give up its veto right on defence policy. However, it is not alone in this position.

Other key policy areas for the UK include taxation and social security, two areas in which the UK is unwilling to allow decisions to be taken by QMV at EU level. The UK is in favour of greater economic liberalisation, especially concerning the opening up of markets such as energy and telecommunications, which in some MSs are still protected from foreign competition.

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<sup>37</sup> “Franco-German friendship and the destination of federalism” by Dr Martin Holmes

## **II. France**

### **A/ Historical analysis of the evolution of French EU policy**

France's relationship with the EU can most accurately be described as schizophrenic. On the one hand, France has a strong tradition as an independent, sovereign nation. Like the UK, it is an old, established and traditional country. Its colonial past ensured France played a key role as an economic world power, whilst its highly centralised, Jacobean state structure ensures it remains a proud and unified land, a land of equality and solidarity. Concepts such as the nation-state, sovereignty, "la patrie" and national unity all remain highly important (if not often controversial) domestic political issues. Certain past French politicians, especially Charles De Gaulle, epitomised this vision of France as a strong, independent sovereign state. His vision of the EU was a Union under French leadership. His disdain for QMV, which he interpreted as a loss of control over sovereign policy areas, was exemplified by the Empty Chair Crisis of the mid sixties, which De Gaulle himself instigated. This crisis allowed MSs to have a veto in the European Council, if they deemed their country's national interests were at risk. This revival of intergovernmentalism was a blow to the supranational institutions. De Gaulle's patriotism or nationalism inspired Mrs Thatcher and other eurosceptics and had a serious effect on the development of European integration. Equally, French sovereigntists blocked the European Defence Community of 1954, an early attempt at a federal European defence policy.

On the other hand, since the end of the second world war, France has produced some of the most convinced and influential Europeans the EU has ever seen. Schuman, Monnet, Pleven, Delors and Mitterand have all helped shape the EU into its present form and structure. These men, as well as most of the French populace in more recent times, came to realise that after decolonialisation,

France could no longer play an influential role on the international scene as an individual state. The only way to ensure French influence on a world level was, and still is, to actively encourage and participate in the creation of a strong EU. The development of a Franco-German partnership as a motor for European integration helped create the European Coal and Steel Community (ECSC), the forerunner to the EU. This partnership also helped the development of common policies such as CAP or EMU as well as helping the completion of the single market and the symbolic reunification of Germany in 1990.

In general French citizens are in favour of deeper European integration and French EU policy generally supports this pro-European stance. When considering French EU policy we must bear in mind the French semi-presidential political system. Whilst EU policy is technically a presidential competence, co-habitation and electoral rivalry between Chirac and Jospin in the 2002 presidential elections questioned internal French unity concerning EU policy. European strategies and visions are often deliberately avoided during national elections. Domestic issues are prominent and thus EU policy is often impeded or damaged. This was the case in both France and Germany in 2002. Since Chirac's electoral success and his party gaining a majority in the Assemblée Nationale, French EU policy has regained a greater semblance of unity.

In developing its EU policy, the French strategy has been to negotiate firstly with Germany, as its closest European ally. We will see that the Franco-German proposal concerning institutional reform proposed to the Convention represents a compromise between traditional French and German visions of Europe and incorporates both intergovernmental and federal elements. The French EU policy seems to be a combination of these two elements, a tentative yet not totally convinced move from confederation to federation. Elements within the French political establishment remain opposed to or unsure of losing national sovereignty, especially in sensitive fields such as defence

and security. However, in general the French seem to accept, more so than the British, an increased necessity and willingness for greater integration.

### **B/Chirac's EU vision**

As a founding member of the EU, France has a traditionally more positive view of European integration than the UK. As an old state, with strong centralised institutions and a history of Jacobinism and Gaullism, however, France is understandably often seen as less convinced by European integration than Germany. Chirac's EU vision is primarily concerned with assuring the positive future evolution of the EU, building on past achievements. Chirac believes:

*"the Union must not be allowed to be diluted or allowed to regress."*<sup>38</sup>

Chirac implies that in order to ensure this positive evolution, all MSs must realise and accept the importance of negotiation and compromise:

*"There are moments when we have to take risks and move out of our comfort zone. But there is no other way if we are to continue along our ambitious path to European Integration."*<sup>39</sup>

This quotation touches a key issue when it comes to European integration, namely courage and ambition. In his speech at the Humbolt University, Joschka Fisher also spoke of the necessity to advance with courage. The definition, in terms of political gestures, differs greatly from Fischer to Chirac, however. Fischer speaks of courage in terms of having the courage to hand up power to supranational institutions and reform these institutions in such a way that they can function

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<sup>38</sup> Speech given by Mr Chirac to the Bundestag, 27th June 2000

<sup>39</sup> Ibid

effectively. This federal vision involves further erosion of national sovereignty. Yet when Chirac speaks of taking risks and moving out of the comfort zone, a federal EU is not what he has in mind. Chirac and Blair share the same definition of federalism and like Blair, Chirac also discards his definition of federalism as a viable option for EU integration:

*“None of us envisage the creation of a European super state to replace our nation states and mark the end of their existence as players on the international scene.”<sup>40</sup>*

Chirac goes on to highlight the democratic value of the nation-state and the unique nature of the EU:

*“In the future, too, the nation state will remain people’s first point of reference... ...The Union’s institutions are and will remain original and unique.”<sup>41</sup>*

Chirac’s emphasis on the continued importance of the nation state for European democracy is an important part of French EU policy and represents a common vision shared by British and French EU policies. The term “a Union of nation states” originated in France and this term underlines Chirac’s sentiments. I interpret Chirac’s quote highlighting the “uniqueness” of the EU institutions as an implied recognition of the important role the MSs have in the EU integration process through the European Council. When speaking of strong institutions, Chirac goes on to say they must have:

*“an effective and legitimate decision-making mechanism giving majority voting the place it deserves and reflecting the relative weight of the Member States.”<sup>42</sup>*

This quotation demonstrates a marked difference between the EU policies of Paris and London. On the one hand, London is very wary about any move towards QMV in sensitive policy areas. This

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<sup>40</sup> Ibid

<sup>41</sup> Ibid

<sup>42</sup> Ibid

reconfirms British scepticism towards political integration. On the other hand, Paris, as implied in Chirac's quotation, is ready and willing to accept the extension of QMV, as long as MSs' relative weights are reflected. This more integrationist attitude is more in keeping with traditional German pro-integrationist visions. QMV as a decision making process is central to a federal system at EU level. Nevertheless, we must remember that, as a large MS, France's "relative weight" is strong within a QMV system. This strong position must have an influence on the French view of QMV.

In fact, an acceptance for QMV but an emphasis of the relative weight of the MSs in the decision making process nicely sums up Chirac's and French EU policy's desire to balance intergovernmental and supranational elements. In this respect French EU policy can be seen as a synthesis of certain intergovernmental elements of UK EU policy and certain federal elements of German EU policy.

There are several other parts of Chirac's vision that can be seen as more pro-integrationist. Chirac is in favour of the creation of a vanguard or pioneer group in order to provide impetus in an enlarged EU. In his federal vision for the EU Fischer also speaks of "*le développement de la coopération renforcée*" and the creation of a "*centre de gravité*"<sup>43</sup>. Fischer sees these as essential steps towards a federal EU. Chirac, however, sees such steps as important for EU integration but he doesn't see these steps culminating in a fully federal EU as viable or desirable. He believes an extension of the idea of enhanced co-operation could be useful:

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<sup>43</sup> Joschka Fischer's speech in "Le nouveau débat sur l'Europe", p 186, Presse d'Europe, 2002

*“Those countries that want to take integration further, on a voluntary basis and concerning specific projects, must be able to do so without being held up by those that do not wish to move so fast, which is their right.”<sup>44</sup>*

In another speech about Europe at the Elysee palace, Chirac went into more detail concerning this part of his vision:

*“The common foreign and security policy lends itself naturally to in-depth co-operation between a group of States which is open to all those who want to move further or more quickly.”<sup>45</sup>*

Firstly, it is important to realise that the ideas of “enhanced co-operation”, “variable geometry” or “multi-speed Europe” are not new concepts within the EU. The Euro and Schengen are just two existing and successful examples of these concepts. One can argue that the Euro is an example of political integration, where a spillover effect was induced by the desire to go further in Europe shared by several, but not all, MSs. Whilst not being a member of the Euro can lead us to question the British or Danish convictions towards political integration, it is impossible to say that their non-membership of the Euro brings their membership of the Union as a whole into doubt. I share Chirac’s opinion that an enlarged EU will not be able to develop policies, which both effectively deal with new challenges and are politically acceptable to all 25 or 27 MSs. I therefore don’t see a problem, in principle, with the idea of a pioneer group or vanguard for EU integration in certain fields.

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<sup>44</sup> Ibid

<sup>45</sup> Chirac speaking at a reception for ambassadors at the Elysee Palace, 27th August 2001

This idea of a “core Europe”, if it were constructed inside the EU framework and open to any MS to join at a later date, would provide a necessary amount of flexibility to allow European integration to adapt or evolve, whilst reducing the likelihood of stagnation or regression. This combination of unity and diversity could be seen as a more widespread politically acceptable alternative to a classic federal Union.

As far as enhanced co-operation or vanguard movements in CFSP policy are concerned, I remain to be convinced. Franco-British co-operation in this field has been important and influential, especially since 1998, when Blair seemed to believe the CFSP represented Britain’s comparative advantage in the EU and could be used as a tool for giving the UK a central role in Europe. I see several problems with the development of the CFSP as a policy field for enhanced co-operation. CFSP, if it were to become a truly supranational policy field, needs to include a united European Defence Policy. Diverging positions concerning European MSs’ responses to the Iraq war, possible conflict or competition with NATO commitments, the American attitude towards a strong European CFSP and the sensitive nature of defence policy, namely implying the possibility of war and death, are all severe hindrances to the development of such a supranational CFSP. What’s more, a CFSP will only be seen as effective and representative, if it is a united and strong policy, supported by all MSs. Whilst I do not discount this as possible in the future, I do not believe it exists at present. Where is Washington’s guarantee that in dealing with security and defence matters at European level, MSs wouldn’t undermine or ignore EU CFSP, if it opposed their national position or interest? In reality, would not Washington and EU MSs themselves still prefer to keep sovereignty in security and defence policy, in spite of the political rhetoric? What would be the strength of small MS voices concerning their national security in a CFSP, if their views were different to those of the bigger MS? How would the EU have acted in the face of the Iraq war had there been a CFSP and in light of British and French differences of opinion? I feel that the

development of the CFSP as a policy field for enhanced co-operation does not satisfactorily answer these questions and is therefore inappropriate.

We will analyse the areas of convergence and divergence between British, French and German EU policies in more detail when we look at the Convention.

### **C/ Key EU policy areas for France**

Traditionally the most important EU policy for France is the CAP. To this day, France remains one of the principal benefactors of CAP expenditure. Recent limits on CAP spending, agreed between Paris and Berlin and aimed at capping CAP expenditure at its current levels from now until 2013 (end of next budgetary framework), have been applauded by other MS. The CAP is seen by many MSs, including the UK, as an expensive, wasteful and outdated EU policy, in need of serious reform. However, Paris is still unwilling to go to such extremes as certain reform proposals made by certain MSs. France, especially Mr Chirac himself as an ex agriculture minister, sees agriculture as a vital national interest. There is significant political pressure on the President from powerful farming lobbies to defend the CAP as much as possible. It is interesting to note that radical agriculture reforms in France have historically been attempted by the socialists. As farmers don't vote for the socialists, social governments are more likely to introduce successful reforms than the republicans. The latter would face serious political damage in attempting to introduce major reforms in agriculture, hence they do not risk such action.

Another area of vital national interest to France is culture. Staunch defence of French culture, for example French film or French music or the French language, is an important domestic and European policy aim of the French government and President. Quotas on the amount of English

language music on French radio stations and subsidies to promote French film and theatre productions are just a few examples of French protectionism, in a policy field in which France sees an essential element of European diversity and heritage. Any move towards QMV or supranational influence over culture policy is inconceivable to Paris.

### **III. Germany**

#### **A/ Historical analysis of the evolution of German EU policy**

In comparison to France and the UK, Germany is a relatively young country. The bitter experiences of Nazism and the devastating effect of World War II meant the idea of the nation was compromised. Nationalism was associated with Nazism and therefore Europe seemed to be a kind of substitute for patriotism.<sup>46</sup> After World War II the Allies imposed a federal political structure on West Germany in order to avoid a strong centralised system which could become a powerful political, economic and military power. Ironically, the imposition of a federal system had a paradoxical effect, namely assisting the reconstruction of Germany as a strong economic and political power. Germany's openness to Europe and its lengthy experience with a federal system are important reasons why German politicians and the German people are, in general, much more comfortable with the idea of a federal European than their French, or certainly their British or Danish, neighbours. German support for a united Europe goes so far as being written in the German Constitution. Of course, the term "united" is open to interpretation. However, it is Germany's practical experience with federalism that is the main reason for such support. Germans understand the system but more importantly they know it works. There are those who remain sceptical within Germany as to whether a federal system at EU level will work as effectively as it does at national level. Despite this concern, Mr Schröder's government seems committed to greater European integration.

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<sup>46</sup> Professor Ferdinand Kinsky in lecture notes on selected European Policies

## C/ Schröder's EU vision

Unlike Blair or Chirac, Schröder is not the sole, major national politician in Germany who commands the attention of German citizens when it comes to EU issues. We have already looked at Fischer's vision for the EU, a federal vision that is in keeping with Germany's federal domestic political system. I get the impression that Schroder is often obliged to play second fiddle to Fischer as far as an influential and concrete EU vision is concerned. However, Schroder stated his SPD party's vision in a paper that he prepared in April 2001 for SPD party conference in November of the same year.

In this paper Schroder confirmed Germany's historical commitment to EU integration:

*"L'intégration européenne est le projet politique le plus important et le plus couronné de succès de l'histoire européenne... ..Il n'y a pas d'alternative à plus d'intégration et d'eupéanisation"<sup>47</sup>*

As we have seen in Blair's and Chirac's speeches we see Schröder's belief in the important link between domestic or national issues and common EU issues:

*"C'est dans une Europe unie que peut être garanti le plus durable bien-être de notre pays."<sup>48</sup>*

The paper broadly outlines the SPD's social model, or third way (Neue Mitte) for the EU. Schroder highlights the importance of prosperity, dignity, citizen's rights, employment and social security for both Germany and the EU. The SPD put a high degree of importance on the Charter of

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<sup>47</sup> "L'Allemagne en Europe" speech elaborated by Gerhard Schröder on 30th April 2001 in "Le nouveau débat sur l'Europe", p 381, Presse d'Europe, 2002

<sup>48</sup> Ibid, p381

Fundamental Human Rights as the cornerstone of common EU values and as a basis for a future EU constitution:

*“Cette Charte des droits fondamentaux devrait alors être mise en préambule à la future constitution afin de souligner les valeurs qui sont celles de l’Union européenne”<sup>49</sup>*

As far as CFSP goes, Schröder is in favour of a supranational CFSP:

*“Une communautarisation de ce domaine de politique doit être atteinte.”<sup>50</sup>*

He emphasises that NATO remains the root of European security and that a development of a supranational European CFSP will reinforce the transatlantic partnership.

In the field of internal security and Justice and Home Affairs (JHA), Schröder demands greater police co-operation at EU level and again underlines that the EU is the most apt level, at which this policy field should be undertaken:

*“Nous sommes d’avis qu’il est plus facile d’assurer la sécurité ensemble, dans l’union élargie qu’en faisant cavalier seul.”<sup>51</sup>*

In general this speech is positive with regards to the EU accomplishments and integrationist in certain fields, for example CFSP and JHA. However, there are elements that are less integrationist and could even be described as designed to reinforce the national level. The speech was criticised by the French for its reasoning that, for the sake of efficiency and in accordance with the principle of subsidiarity, the CAP and regional policy should be renationalised. When it comes to division of

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<sup>49</sup> Ibid, p389

<sup>50</sup> Ibid, p391

<sup>51</sup> Ibid, p387

competencies between federal and Länder level, however, Berlin wants to keep this as a national competence. The main criticism concerning renationalising the CAP and regional policy was that by renationalising these policy areas, the EU would lose its main policy domains, thus becoming a sophisticated institutional machine without any concrete policy competencies.<sup>52</sup> The speech is also extremely limited when it comes to institutional reform measures:

*“Nous souhaitons que soit mise en place un dispositif européen de répartition des pouvoirs entre Parlement, Conseil et Commission, système qui soit conforme au principe de légitimité démocratique, d’efficacité et de transparence”*<sup>53</sup>.

This extremely vague demand was the only contribution concerning the institutional mechanism of the EU and fails to provide any clear preference or vision for necessary reform. It might be seen to imply a preference towards the community method with the reinforcement of the institutions in order to assure the inter-institutional balance and to allow efficient functioning in an enlarged EU.

### **C/ Key EU policy areas for Germany**

As the largest net contributor to the EU budget, it can be argued that Germany has more of an interest than any other MS in EU policies. In fact, Germany’s high level of contribution in relation to other large MSs (UK or France) or other rich MSs (Holland, Belgium or Luxembourg) recently caused some serious concerns for Berlin. The disproportionately large contribution paid by Germany to the EU budget has led to Euroscepticism by some politicians and citizens. This has degenerated into the traditional argument over how much Germany pays in, how much they get out and whether or not they should be paying less. To a certain extent the Germans are justified in this

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<sup>52</sup> Harmut Marhold in “Le nouveau débat sur l’Europe”, p 378, Presse d’Europe, 2002

<sup>53</sup> Ibid, p399

argumentation. An oversimplified analysis says the French get the CAP; the British get their rebate and the Germans get the bill.

The conclusion of the Agenda 2000 meeting in Berlin 1999 reduced Germany's burden on budgetary contributions. It is however, natural that Germany continues to pay a large contribution to the EU budget, as it remains the biggest and richest EU MS. Enlargement will place Germany geographically in the centre of Europe and close ties between Germany and certain candidate countries, especially Poland, Czech Republic and Hungary, should bolster German economic recovery through increased trade and economic development. German contributions to the EU budget are essential in order to finance ideologically important EU policies such as regional development and economic and social cohesion.

Germany, like the UK, is in favour of greater co-ordination or harmonisation of MSs' economic policies. However, in the field of taxation, especially corporation tax, Germany is eager to see greater harmonisation, in contrast to the UK. Berlin also favours the creation of a single financial market. Both the UK and Germany demand reform of EU economic policy, especially concerning the CAP. The French are naturally against large reductions in CAP expenditure due to the importance of agriculture as one of France's vital national interests.

Germany is less willing to accept EU competency in immigration and asylum and visa policies. With the increased possibility of free movement within an enlarged EU and a new external boarder with countries such as Belarus, Ukraine and Russia, Germany wants to ensure it retains its sovereignty in these sensitive policy areas. Germany managed to negotiate a 7-year period during which free movement of new MSs' citizens to Germany will be restricted. This underlines German worries about immigration, especially labour market flooding with cheap, eastern European labour.

### **D/ German EU policy in the context of EU integration theories**

In general, German EU policy can be regarded as consistent with a federal concept of European integration. It is only natural that intergovernmentalism is seen as desirable in particularly sensitive policy areas in Germany, as it is in all other MSs. The importance of Franco-German co-operation for past, present and possibly future European integration should not be underestimated. Germany's willingness to accept the development of a supranational EU and be the principle paymaster for such an entity is to be applauded.

Co-operation and consensus are primordial when it comes to discussions concerning the future of Europe. Co-operation with France is a key feature of German EU policy and the German strategy concerning the future EU. The Franco-German partnership, seen as the motor for EU integration, was formalised in the Elysee Treaty of 1963. Bi-annual meetings were agreed in order to discuss co-operation and conversion of EU policies. These meetings, which continue to this day, provide an essential input into EU policy formation and evolution. The EMU programme and timetable at Maastricht and the creation of Common Strategies as a new instrument at Amsterdam are just two examples of accepted EU developments subsequent to Franco-German initiatives.<sup>54</sup> More recently, agreement to limit CAP spending and the compromise Franco-German proposal to the Convention confirm the importance of a functioning Franco-German motor for EU integration.

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<sup>54</sup> "The Amsterdam Treaty" Edited by Finn Laursen, Chapter 7, France by Florence Deloche-Gaudez, p156, Odense University Press 2002

By co-operating and compromising prior to European Council meetings, especially concerning joint positions on constitutional or institutional matters, France and Germany often have had a strong bargaining position vis-à-vis other MSs. Moravcsik acknowledges the importance of such compromise or co-ordination as a key element of interstate bargaining in intergovernmental fora. An example of such a compromise is the Franco-German proposal to the Convention on institutional reform. We will now go on to look at the propositions forwarded by the UK, France and Germany in the Convention in more detail.

## **PART THREE: INSTITUTIONAL REFORM PROPOSALS TO THE EUROPEAN CONVENTION**

The idea to convene a Convention on the future of Europe was announced in the Laeken Declaration, which marked the end of the Laeken European Council Summit in December 2001.

There are several explanations why such a step was taken.

Firstly, there remained several areas for reform, which were not dealt with sufficiently by the Nice IGC. These issues centre on institutional reform and form the basis of the Convention's work, namely: simplification of the Treaties, the status of the Charter of Fundamental Human Rights, the distribution of competencies between sub-national, national and supranational levels and the role of national parliaments in the EU system.

Secondly, it was generally accepted that the negotiating and results of the Nice IGC highlighted the limitations of the IGC method, especially with regard to institutional reform. Hence, reform of the method was necessary in order to improve the Union's capacity for action.

Thirdly, the choice of a convention as a way of reforming the IGC process was made due to the perceived success of this method in the elaboration of the Charter of Fundamental Human Rights.

Finally, since Nice, the Heads of State recognised the importance of a "broad and open debate" in order to increase the EU's legitimacy. They recognised the right and importance of the EP, the

Commission, National Parliaments and the candidate countries' participation in this debate. Therefore, a role for these other stakeholders was acknowledged through the Convention method.

The European Council nominated Mr Valery Giscard d'Estaing as President of the Convention. Whilst the Laeken declaration underlined that it is for the Convention to consider the issues the declaration raised, it gave the President a relatively free role in organising the Convention. To this end, Giscard d'Estaing chose to set up working groups to tackle the main issues of the Convention's mandate. Moreover, Giscard decided there would be no voting when it came to different proposals or positions within the working groups. It seems clear that Giscard favours a pragmatic, informal working method aimed at creating consensus and not opposition. However, if the issues raised do not command wide spread acceptability, his choice not to try to encourage more consensus in a more formal manner may backfire.

Reflecting on the limitations of the IGC method, Gray and Stubb consider IGC's as "a necessary evil", whilst Michel Bertrand believes the IGC method has "diminishing returns" when it comes to treaty change<sup>55</sup>. Gray and Stubb go on to say that:

*"although the IGC method is a legal requirement, at least until 2004, this should not be used as an excuse to avoid reform"*<sup>56</sup>.

In convening a Convention, we must acknowledge a desire within the European Council to reform the current IGC method. However, it is important to remember that such an option was considered as broadly acceptable only in so far as:

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<sup>55</sup> Mark Gray and Alexander Stubb "The treaty of Nice" keynote article p 20 in the Journal of Common Market Studies annual review of the EU 2000/2001, Blackwell publishers

<sup>56</sup> Ibid, p. 20

*“it is recognised that Member States must take the final decisions in an Intergovernmental Conference format.”<sup>57</sup>*

On the one hand, It is hoped that the results of the Convention will be sufficiently consensual as to allow the subsequent IGC to simply accept them. Moreover, the Convention’s work will put political pressure on the Heads of State to accept the proposals or, at the very least, refrain from reopening wide ranging debate on major issues.

On the other hand, it remains to be seen whether the Convention’s proposals will indeed command wide spread consensus amongst MSs’ Heads of State, especially concerning institutional reform. The freedom of speech and action of members of the Convention, as well as the necessity for unanimity concerning the approval of the Convention’s proposals in the ensuing IGC, risk undermining the Convention’s work. Such a scenario would be deemed as failure of the Convention method as a reform option to the IGC method.

In his report submitted to the Copenhagen European Council on 12-13th December 2002, Giscard implied his personal attachment to the Community method. He believes reform of the existing EU system would be the best course of action for future EU evolution. When examining the institutional balance in the Convention, he said:

*“We shall do this with great caution, for the institutional triangle, designed by the founders is an original feature of the construction of a United Europe, reflecting its dual*

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<sup>57</sup> Ibid, p20

*nature as a Union of States and a Union of Peoples. Any who forget this would be endangering the future of the fine European venture.*<sup>58</sup>

There are two important points to highlight in this quotation. Firstly, Giscard underlines the EU as a Union of Peoples as well as a Union of States. This is important, when we remember this report was submitted to the Council. By emphasising the citizens, Giscard wants to remind the Council of the important role for EU citizens played by the Commission, as Guardian of the Treaties and consequently guardian of the common interest and by the EP, as the democratically legitimate supranational entity.

Secondly, I interpret his second statement as a warning to intergovernmentalists and federalists alike, that major reform to the institutional triangle could be a dangerous evolution. His report could therefore be interpreted as a personal vision in keeping with the Community method theory for further integration.

## **I. The Franco-German Proposal: The Institutional Architecture of the European Union**

When France and Germany manage to compromise on important issues, this can have a strong influence on other MSs, both small and large. On the one hand, small MSs believe that a Franco-German package deal will probably combine both federal and intergovernmental elements, reflecting the traditional French and German positions. Thus, more pro-integrationist countries such

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<sup>58</sup> Report by Giscard d'Estaing, chairman of the European Convention to the Copenhagen European Council, 12-13th December 2002, p11

as Belgium, Holland or Ireland often find they can accept at least some of the proposed measures, normally those supranational elements of the compromise often forwarded by Germany.

On the other hand, France and Germany, being large MSs, have an interest in ensuring their relative power and influence in the EU decision-making process. Therefore, there are often elements of Franco-German proposals, which are acceptable to the other large MSs, namely the UK, Spain or Italy. These intergovernmental elements of the compromise are often forwarded by France.

Writing about the influence of the Franco-German proposal in the Financial Times, George Parker explained the importance of this co-operation as follows:

*“...a deal between the two countries often holds the key to progress. ...When they [France and Germany] find a compromise it is often one that Europe can live with”*<sup>59</sup>

Writing in the Guardian, Ian Black reiterated the importance of Franco-German co-operation and compromise:

*“The plan is likely to have a huge influence on the EU’s constitutional arrangements”*<sup>60</sup>

For his part David O’Sullivan, a top Commission civil servant, added:

*“Any time the French and Germans agree on something, it increases the chances of that being the final outcome”*<sup>61</sup>

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<sup>59</sup> “Relief in Brussels as relationship gets back on track over the Claret” by George Parker. Published in the Financial Times on the 15th January 2003

<sup>60</sup> “Big two define Europe’s future” by Ian Black. Published in the Guardian on the 16th January 2003

<sup>61</sup> David O’Sullivan in “Big two define Europe’s future” by Ian Black. Published in the Guardian on the 16th January 2003

These factors need to be born in mind when considering the Franco-German proposal in its entirety as a compromise, package deal. Later on we will analyse the acceptability of the individual elements of the proposal by the Convention.

The Franco-German contribution on the institutional architecture of the EU submitted to the Convention on the 15th January 2003 exemplifies Franco-German co-operation and both nations' desires to assist in the EU's reform. We will look at the proposals for reform of each institution in turn. We will also analyse the implications of these suggestions, if they were to be accepted, in the context of EU integration theories.

#### **A/ Reform of the European Council:**

Before looking at the contents of the reform proposal for the Council, it is revealing to note that the proposal chooses to deal with the Council reform before the other institutions. This choice, whether conscious or subconscious, emphasises a tendency towards a reinforcement of intergovernmentalism at EU level.

The proposed reform for the Council centres on the creation of a permanent, full time President.

The proposal justifies this by underlining:

*“In einem erweiterten Europa muss die Leitung des Europäischen Rates durch  
Kontinuität, Stabilität und Sichtbarkeit geprägt sein.”<sup>62</sup>*

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<sup>62</sup> “Beitrag zum Europäischen Konvent über die institutionelle Architektur der Union”, Paris and Berlin, 15th January 2003

The Council will elect this president by QMV for a period of 5 years or 2.5 years renewable once. His/her two main functions will be firstly to prepare and preside over European Council meetings, ensuring its decisions are executed and secondly to represent the Union on the international scene.

The idea of a Council President, chosen from amongst the current European Council members, was originally Chirac's idea and reflects his personal EU vision of a Europe of nation-states. This intergovernmental proposal was warmly greeted in other larger MS, especially the UK and Spain. British Foreign Secretary Jack Straw said: *"cette proposition mérite de recueillir un très large soutien"*, whilst Spanish Premier Jose Maria Aznar declared that his government: *"ne pouvait qu'être d'accord avec l'idée d'une présidence de l'UE."*<sup>63</sup>

Not everyone, however, approved the Franco-German proposal of a Council President. The EP, Commission and small MSs all expressed reservation or disapproval for several reasons. Firstly, there is the argument that a Council President weakens the role and influence of the European Council as a body. I find this argument unconvincing, as I believe it would be impossible for a Council President to act without the support of a majority, or qualified majority of MS in the European Council. If this were the case, a President of the Council would not undermine the role or authority of the Council.

Secondly, there is the view that a Council President could lead to rivalry or confusion between the roles of such a post and the Commission President. The Commission itself *predicts*:

*"les problèmes potentiels dans le fait d'avoir deux centres de pouvoir placés à égalité".*

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<sup>63</sup> "Le Figaro" 16th January 2003

Giscard d'Estaing, on the other hand, sees "*Aucune raison de se battre*"<sup>64</sup>, whilst Charles Grant of the Centre for European Reform insists:

*"Of course there will be creative tension, but it will work"*.<sup>65</sup>

I believe the Franco-German proposal could lead to confusion or rivalry between Council and Commission Presidents, especially in the field of international representation. The Commission President currently enjoys this role but the Franco-German proposal sees this as central to the future role of the Council President. It is true, however, that not all tension must be seen as negative and therefore I support Charles Grant's interpretation that this tension or rivalry could be positive or constructive.

Thirdly, I am sceptical of the Commission's interpretation of a Council president being on equal terms as the Commission president. I believe the Franco-German proposal aims to subordinate the Commission President's role vis-à-vis a Council president. An article in the Financial Times appears to confirm this:

*"Mr Schröder is reported to have guaranteed the primacy of the Council."*<sup>66</sup>

This development would reinforce the intergovernmental element of the EU, which favours the large MSs. The relative reduction of Commission power would reduce the small states' influence and that of the Commission as the representative institution of the common good. This is the main reason why the EP, Commission and small MSs are opposed to this proposal.

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<sup>64</sup> Ibid

<sup>65</sup> Charles Grant in "Second Leader would boost Europe's clout" by George Parker. Published in the Financial Times on 16th January 2003

<sup>66</sup> "Deal underlines vitality of Paris-Berlin Ties" by R Graham and H Simonian. Published in the Financial Times on 16th January 2003

Finally, a permanent, full time Council president would mean an end to the rotating presidencies. This is widely regarded as a good thing, especially amongst larger MSs. I believe in private even politicians from certain small MSs would also tend to agree. It is true that a Council President would increase stability and continuity of EU policy development. It is also impossible to imagine Malta or Cyprus having the administrative or human resource capacity to run the EU for 6 months. However, advocates of the rotating presidencies argue that such a system brings prestige to the smaller MSs and pressure to have a good presidency can be positive for EU integration. The rotating system allows for new ideas and impulses and this would be lost with a permanent president. Whilst I accept this as a valid point, I still believe greater continuity and stability within the European Council is necessary and therefore keeping the rotating system completely unreformed would be inappropriate in an enlarged Union.

### **B/ Reform of the European Commission**

The main reform suggestion here is for the election of the Commission President by the EP with qualified majority support. This more supranational element of the proposal reflects a German vision and can be seen as the counter-balance to the intergovernmental reinforcement of the Council through a permanent president. The logic of this proposal is that an EP elected Commission president would be more democratically legitimate. Moreover, in assuming this new role, the EP would also see its power as an institution increase.

This supranational development is relatively uncontroversial amongst MSs of all sizes, especially when compared to the proposal of a Council president. However, I see certain problems with the proposal. How can the Commission keep its independence and its autonomy (as argued in the Franco-German proposal) as well as its exclusive right of initiative if it were to be elected by the

EP? Whilst the EP already has right of censure over the Commission, the additional right to elect the Commission president might lead to the politicisation of the Commission. This would destroy the Commission's credibility as an autonomous and independent body. A politically motivated Commission could also disagree with the Council president if such a post was to exist and this could have a destabilising effect for the EU both internally and externally.

Charles Grant, writing in the Financial Times, believes worries concerning the politicisation of the Commission are misplaced. He writes:

*“As long as national governments continue to appoint the other Commissioners, the Commission will remain a multi-party institution.”<sup>67</sup>*

Whilst I would concede Charles Grant's point, I feel it is important to underline the relative power and influence of the Commission President vis-à-vis the other Commissioners. It seems clear to me that the election of the Commission president by the EP could run the risk of introducing a certain political element into the Commission's work. I remain convinced that this influence could have a negative effect on the Commission's strategic agenda and would destroy the Commission's independence.

This part of the proposal must be seen as the French compromise to the more federal German view. In an article entitled *“Fischer wollte mehr”* in the Frankfurter Allgemeine Zeitung Eckart Lohse wrote:

*“Er [Fischer] habe sich mehr gewünscht bei der Zusammenführung der Spitzen der Europäischen Union. Es sei sehr, sehr schwierig gewesen, mit Frankreich einen Kompromiss zu finden”<sup>68</sup>*

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<sup>67</sup> “The twin peaks of European Leadership” by Charles Grant. Published in the Financial Times on 15th January 2003

I believe the Financial Times interpreted the proposal correctly when they wrote:

*“On balance it seems a domestically weak Mr Schröder gave more ground to the French”.*<sup>69</sup>

This would explain Mr Fischer’s disappointment. The Franco-German compromise between intergovernmentalism and federalism seems to greatly favour the former, that is to say the French vision, supported by the British and the Spanish. This proposal must therefore be considered as a vital blow to Fischer’s federalism. We are again reminded, however, of the importance the French and Germans place on their bi-lateral co-operation and the lengths to which both countries are prepared to go in order to provide a joint proposal.

### **C/ Reform of the EP**

As well as electing the Commission president, the Franco-German proposal demands a further increase in the EP’s legislative powers, with any extension of QMV in the Council being accompanied by the use of the Co-decision procedure. This proposal is supranational but not radical in nature. Such an extension of EP powers is in keeping with previous increases the EP has enjoyed in preceding IGCs.

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<sup>68</sup> “Fischer wollte mehr” by Eckart Lohse published in FAZ on 16th January 2003

<sup>69</sup> “Deal underlines vitality of Paris-Berlin Ties” by R Graham and H Simonian. Published in the Financial Times on 16th January 2003

## **D/ Reform concerning external action of the Union**

The proposal suggests the fusion of the roles of Commissioner for External Affairs and the Council's High Representative. This role of European Minister of Foreign Affairs would be a double hatted one and is justified in the proposal for the following reason:

*“Um Stärke und Glaubwürdigkeit der Union auf internationaler Ebene sicherzustellen, müssen ihre operativen und finanziellen Mitteln sowie ihre personelle Ausstattung ihrem politischen Anspruch entsprechen.”<sup>70</sup>*

This “Mr foreign minister” would have the right of initiative in CFSP affairs and would preside over the External Relations and Defence Council. He would also be given a “*statut spécial*” within the Commission.

The Franco-German proposal for a double hatted foreign minister seems, on the surface at least, a simplification of the current system: two jobs being fused into one. However, just whom this minister will ultimately be responsible to and exactly how he will interact with both the Council and the Commission remains unclear. The Financial Times underlines the danger of such a lack of clarity, stating:

*The new foreign supremo - with a base in the EU Council of Ministers while integrated into the Commission - could have divided loyalties if the two institutions are ever in dispute.”<sup>71</sup>*

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<sup>70</sup> “Deutsch-französischer Beitrag zur institutionellen Architektur der Europäischen Union” or “Contribution Franco-Allemand à la Convention Européenne sur l’architecture institutionnelle de L’Union”, Paris and Berlin, 15th January 2003

<sup>71</sup> “Presidential Plans” article published in the Financial Times, 16th January 2003

This fusion can arguably be seen as representing not a simplification but a complication to the system. The Franco-German proposal seems to imply a European foreign minister who would be responsible before the European Council, as it suggests the European Council would nominate the minister by QMV. This must be considered as a further reinforcement of intergovernmentalism, to the detriment of the Commission and those who support a strengthened supranational or federalist Union.

## II. The British-Spanish Proposal

Britain and Spain submitted their proposal to the convention concerning their visions for future institutional reform on the 28th February 2003 in a paper prepared by convention members Mr Peter Hain and Mrs Ana Palacio entitled “The Union Institutions”. This joint proposal can be seen as a response to the Franco-German proposal of the previous month. British/Spanish co-operation within the Convention must be understood in a wider EU context, namely recent support of these two MSs for the US war in Iraq. As far as this proposal goes, there are several areas which highlight continued diverging opinions within the EU and underline a certain distance between the British/Spanish position and that of the French and Germans.

The paper starts by emphasising the UK’s and Spain’s desire for:

*“the maintenance of the basic balance of the institutional triangle and the preservation of the essential characteristics of the present Community method.”<sup>72</sup>*

This quotation seems to be a reflection of the following quotation taken from the Franco-German proposal:

*“... eine (gleichgewichtige) Stärkung des institutionellen Dreiecks ist erforderlich”<sup>73</sup>*

From the wording of the two proposals, we might be inclined to deduce that all four MSs are happy with the Community method and wish to reinforce it without serious reforms. When we look at the content of the proposals, however, we see that this is far from the case.

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<sup>72</sup> Contribution from Convention members Mrs Ana Palacio and Mr Peter Hain: “The Union Institutions”, Brussels, 28th February 2003

<sup>73</sup> “Deutsch-französischer Beitrag zur institutionellen Architektur der Europäischen Union” or “Contribution Franco-Allemand à la Convention Européenne sur l’architecture institutionnelle de L’Union”, Paris and Berlin, 15th January 2003

## **A/ Reform of the European Council**

The proposal argues that strengthening of the figure of the European Council Chair is necessary in order for the Council to:

*“... fully play the role the current Treaty of the Union confers upon it when it lays down in article 4, that the European Council shall provide the Union with the necessary impetus for its development and shall define the general political guidelines thereof”<sup>74</sup>*

Like the Franco-German proposal, the UK and Spain propose a full time Chair to be appointed for a period of 4 years. We see the same confusion in the two proposals concerning the role of this president. The British/Spanish proposal wants this president:

*“...to give added profile to the external representation of the EU (without prejudice of the High Representative’s work or the Commission’s competencies)”<sup>75</sup>*

This naturally brings into question the relationship between a Council president and a Commission president as we analysed earlier. I do not see how a Council president can “give added profile to the external representation of the EU” without prejudicing the Commission’s competency. After all, external representation is one of the Commission president’s chief functions.

The proposal doesn’t favour one particular system of appointment for a Council president but believes that the system chosen should:

*“ensure the respect of the principle of equality amongst Member States.”<sup>76</sup>*

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<sup>74</sup> Contribution from Convention members Mrs Ana Palacio and Mr Peter Hain: “The Union Institutions”, Brussels, 28th February 2003

<sup>75</sup> Ibid

<sup>76</sup> Ibid

Such a quotation would seem to oppose the election of a Council president by QMV. We can interpret this as a further rejection of greater federalist influence within the Council. In this way, respecting the “*principle of equality*” alludes to unanimity. This is in keeping with the British vision of the EU.

It is understandable that the UK and Spain, like France and Germany, are in favour of a permanent President of the European Council. Both Blair and Aznar support also the idea of increasing the European Council’s power and, being large MSs, such a move poses little threat to either of them. In my opinion such a reinforcement of the Council will inevitably tip the balance of power in favour of this intergovernmental organisation, despite the arguments to the contrary, which underline the importance of maintaining the balance of power.

### **B/ Reform of the Commission**

The British/Spanish proposal is similar to the Franco-German proposal when it comes to the additional powers that the Commission should be given. These include strengthening the Commission’s role as “Guardian of the Treaties”, extending its power of initiative in the areas of justice and home affairs and extending its power in proposing the multi-annual strategic agenda to be adopted by the Council.<sup>77</sup>

The proposal differs from that of the French and Germans in the domain of the appointment of the Commission president. The UK and Spain believe he/she should be appointed through the European Council by QMV and approved by the EP, not the other way round as proposed by Paris

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<sup>77</sup> Ibid

and Berlin. The proposal underlines the UK's and Spain's readiness to consider other methods of appointment but highlight that the chosen option:

*“must respect the key principles of democratic accountability and independence from political interference”.*<sup>78</sup>

The emphasis of the importance of the Commission's independence in this proposal is in keeping with my previously expressed concerns regarding the dangers of a politicised Commission.

However, we have already noted that a Commission president elected by the EP was the German supranational element of the Franco-German compromise and counterbalanced the election of a Council president (the French intergovernmental element of the compromise). We can see that in the UK/Spain proposal no real supranational counterbalance to a Council president is suggested as necessary or desirable. This underlines a certain scepticism towards further supranational development. Such a vision must also be seen as a desired weakening of the supranational elements of the future enlarged EU vis-à-vis the intergovernmental Council. Whether such an evolution of the EU can be seen as positive is extremely debatable.

### **C/ Reform of the EP**

As in the Franco-German proposal, the UK and Spain see nothing wrong with a further increase in the EP's powers. They propose an extension of the Co-decision procedure when the Council is voting by QMV in “*some new areas*”. This proposal is more limited in nature than that of Paris and Berlin, however, who demand that such an extension should be “*automatisch*”. This can be seen as Paris's and Berlin's desire for further use of Co-decision and QMV to become a general

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<sup>78</sup> Ibid

principle, whilst the UK and Spain are more hesitant about such a generalisation of Co-decision. We can say that this reaffirms France's and Germany's greater acceptance of integrationist elements, especially in relation to the UK.

The London/Madrid proposal wishes to further extend the EP's powers in its involvement with planning and implementing the Council's strategic plan and in its holding of the Commission to account. They believe the EP should increase its ability to assess the impact of new legislation and have a greater say in the EU budget:

*"It is right that the European Parliament's voice should be heard in all annual decisions on spending".<sup>79</sup>*

I interpret "*all annual decisions on spending*" to highlight a British/Spanish desire to scrap the current differentiation between compulsory and non-compulsory expenditure. Such differentiation was something, which the Franco-German proposal wanted to retain. We are reminded of the heavy burden of the EU budget placed on Germany and this might explain Germany's preference for retaining some control of the budget within the Council. Nevertheless, it must be acknowledged that on this occasion the UK/Spanish position is more favourable to the supranational EP than the Franco-German proposal, something that rarely occurs when we consider these countries' traditional EU visions.

#### **D/ Reform concerning external action of the Union**

The UK/Spanish proposal agrees with the Franco-German one that a "*real Minister of Foreign Affairs/External Relations*" is necessary. However, the British and the Spaniards reject the idea of

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<sup>79</sup> Ibid

a double hatted foreign minister. Rather, they favour such a post being a strengthened High Representative, that is to say principally responsible to the European Council and not the Commission. This foreign minister would chair the Council of Ministers for External Relations and participate at the Commission's meetings where proposals concerning Union's external action are being discussed.<sup>80</sup> He would of the right of initiative in CFSP matters.

Compared to the Franco-German proposal concerning the Union's external representation, the UK/Spain proposal again reflects a tendency towards greater intergovernmentalism. There is no mention of the foreign minister having a special status in the Commission, as in the Franco-German proposal. Lack of detail in both proposals leads us to ponder the foreign minister's exact role within the Council and/or the Commission. It remains unclear how a collegiate body such as the Commission would function with a duellist foreign minister. What is certain, is that the UK/Spain proposal severely reduces the Commission and its president's role in its inter-institutional relationship with the Council. Another example of this is the foreign minister's proposed right of initiative in CFSP matters. Such a power is incompatible with the idea of the Commission of having the exclusive right of initiative, as is currently the case.

### **E/ Reform of the Council of Ministers**

In order to counterbalance the permanent European Council president, the UK and Spain propose a "team presidency" system for the specialised Councils of Ministers. Each team would hold a collective presidency for 2 years (allowing two teams per European Council president's term of office). Within these teams, each of 4 members would chair two Councils for a period of 6 months.

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<sup>80</sup> Ibid

Thereafter the 4 members rotate, taking the chair of two different Councils. Over the 2-year team presidency it is envisaged that each member will have chaired all the different Councils. This rotating system would not include the “institutional presidencies” for example the General Affairs Council, to be chaired by the European Council president or the External Relations Council, to be chaired by the foreign minister.

Whilst integrationists would criticise the British/Spanish proposal for not having a supranational counterbalance to a Council president, I believe the proposed system of rotating team presidencies for the Councils of Ministers provides appropriate and desirable flexibility to counterbalance a permanent Council president. The Franco-German proposal makes no such concessions towards those who advocate the advantages of a rotating system. Whilst I admit that such a proposal is complicated and goes against the idea of simplification, I believe the rotating team presidencies for the Councils of Ministers merits serious consideration. It would appeal to the small MSs who might feel that they would lose out by giving up the current rotating presidency system in favour of a permanent Council president. Team presidencies in the Councils of Ministers might be a good exchange for a permanent Council president, as part of a larger package deal. However pragmatic this part of the proposal is, we must be aware it cannot be comparable to the major supranational element of the Franco-German proposal (election of the Commission president by the EP). In my opinion, this part of the UK and Spain’s proposal must therefore be considered as second best.

## **PART FOUR: PERSONAL ANALYSIS OF POTENTIAL INFLUENCES AND ACCEPTABILITY OF THE PROPOSALS TO THE CONVENTION**

Whilst we can look at the likelihood of certain aspects of the Franco-German proposal gaining wide spread acceptability, it is important to remember the compromise nature of this package deal. Therefore, the possibility of only accepting certain intergovernmental elements, without their counterbalancing supranational elements, for example, might prove difficult in reality. We might find this is the case within the Convention or the IGC or both.

### **I. Acceptability of a Permanent Council President**

The idea of a Council President still seems the most radical and controversial element of the Franco-German proposal. George Parker, writing on the 16th January, seemed convinced of the influence of the Franco-German proposal:

*“The creation of a new EU president heading the European Council, which represents the heads of government of the member states, now looks certain to appear in Mr Giscard d’Estaing’s draft treaty.”<sup>81</sup>*

With the gift of hindsight, Parker’s conviction has been disproved, with no mention of a Council President proposed in Giscard’s draft treaty. What is interesting, however, is to see the evolution of MSs’ reactions to the idea of a Council President.

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<sup>81</sup> “Second Leader would boost Europe’s clout” by George Parker. Published in the Financial Times on 16th January 2003

The pro-integrationist Benelux countries oppose the creation of a Council President. In their alternative proposal to the Convention, they state the Benelux:

*“favours maintaining the rotation on the level of the European Council and specialised Councils. The Benelux will in any case never accept a President elected from outside Council.”<sup>82</sup>*

At first glance this quote seems vehemently against a Council President and implies that this position is such a strong one that the Benelux would be prepared to veto the proposal in the subsequent IGC. However, if the emphasis is placed on *“from outside Council”* rather than *“never”* a different interpretation appears. This alternative interpretation would see the Benelux open to the idea of a Council president as long as such a post was filled by an existing European Council member (e.g. an existing head of state) and in the context of a larger package deal.

Such an interpretation brings us back to Moravscik, intergovernmentalism and the importance of inter-state bargaining and package deals within IGCs. It reminds us that, for all the diverse work by assorted stakeholders concerning the future EU institutional setup within the Convention, it will be national governments that will ultimately shape the evolution of the EU’s institutions. In my opinion, the seemingly inescapable intergovernmental aspect of the Union has not been avoided by the work of the Convention. To a certain extent this was inevitable, as long as the Convention were to be followed by an IGC.

As far as the Benelux are concerned, their relative bargaining power vis-à-vis the large MSs may be enhanced, however, if the Council President part of the Franco-German proposal is so

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<sup>82</sup> Memorandum of the Benelux: “A balanced institutional framework for an enlarged Union”, Brussels, 4th December 2002

important to the large MSs. Moravscik's third core proposition of Liberal Intergovernmentalism, that intergovernmental negotiation accounts for inter-state deals, argues the more governments desire agreement on a given issue, the more concessions they will allow to achieve it. Hence, if the large MSs really push the Council President proposal in the IGC, they might be forced to concede to the Benelux or other sceptical countries on other more integrationist issues, say the election of the Commission President by the EP.

Large MSs' obsession with a permanent, full time Council president might have an unintentionally paradoxical effect, leading to greater integration in reform proposals concerning other institutions. I would see such a development as positive for EU integration. Whether this scenario is realistic or not, it is clear that the Franco-German compromise is regarded as the foundation on which to build the negotiations:

*"Their [France and Germany] proposals are now likely to provide the platform on which the Convention charged with drawing up ideas for the EU's new institutional architecture will build consensus."*<sup>83</sup>

Other small MSs would prefer the Benelux proposal to that of France and Germany. Another proposal was made by a geographically and ideologically wide based coalition of 16 MS, including old MSs such as Ireland, Denmark, Portugal and Finland and new MSs such as Cyprus, Estonia, Hungary and the Czech Republic. This proposal also preferred keeping the rotating presidential system to the installation of a permanent Council President.

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<sup>83</sup> "Deal underlines vitality of Paris-Berlin Ties" by R Graham and H Simonian. Published in the Financial Times on 16th January 2003

However, it seems that after reflection, most member states will be able to accept the idea of a Council president as part of a package deal. Benelux would be prepared to “tolerate” the idea whilst Denmark said:

*“it could accept a system under which a president of the council was chosen in turn from groups of different sized member states”<sup>84</sup>*

In the same article Ian Black writes:

*“Sweden has already defected to the pro-presidency camp while Portugal is said to be warming to the idea. Finland could probably live with it.”<sup>85</sup>*

Whether a Council President will feature in the Convention’s proposals to the IGC concerning institutional reform or will even be accepted by the IGC remains to be seen. Comments by politicians from certain small MSs seem to imply they would be prepared to accept a Council president at a certain price:

*“The Benelux countries said that, while they do not favour the new president, they would be prepared to tolerate a president who came from the ranks of serving prime ministers. Jean-Claude Juncker, Luxembourg prime minister, said the president would only be effective if he represented a genuine EU foreign policy.”<sup>86</sup>*

I interpret Mr Juncker’s comments as readiness to accept a possible package deal with large MSs: a Council President in exchange for a strong, united EU foreign policy under supranational control. Such a scenario within the IGC is possible. I also believe the readiness of pro-integrationist or even

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<sup>84</sup> “Big two define Europe’s future” by Ian Black. Published in the Guardian on the 16th January 2003

<sup>85</sup> Ibid

<sup>86</sup> “France and Germany in pact on EU future” by Robert Graham and George Parker. Published in the Financial Times, 16th January 2003

pro-federalist countries, such as Benelux, to concede to a Council President underlines the weakness of the federalist idea amongst heads of state:

*“An increasing number of countries have realised that the more federal approach endorsed by Germany and a number of smaller countries is unacceptable to France, Britain and Spain.”<sup>87</sup>*

By accepting a Council President at a certain price, I believe it is the Benelux’s tactic to push for as much integration as possible in other areas. This is demonstrative of good interstate bargaining at EU level. I remain optimistic that such a tactic could have positive effects for future EU supranational development.

I personally favour the Danish solution. I believe a permanent president holding office for a period substantially longer than 6 months is necessary. Moreover, I feel the Danish solution, whereby the Council president would in a certain respect “rotate” amongst different sized MSs but over a much longer period, would be acceptable to most MS. It would guarantee consecutive presidents wouldn’t come exclusively from large MSs, providing stability but not stifling creativity and evolution. Alternatively, the British/Spanish proposal, whereby a permanent Council President is counterbalanced by rotating specialised Council team presidencies, might also seem acceptable to most Mss.

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<sup>87</sup> Ibid

## **II. Acceptability of a Double-hatted European Foreign Minister**

The second most controversial element of the Franco-German proposal is the creation of a double hatted foreign minister. I believe in light of recent events on the international scene, especially concerning the opposing views of the UK and France on military action in Iraq, a double hatted foreign minister will not be acceptable to a majority of MSs. The limited but significant amount of unity and consensus which seemed to have been created in CFSP affairs since 1998 has been destroyed, at least for the short term, with the Iraq crisis. Today and even in the near future, I believe we are unlikely to see a majority of MSs truly supporting the development of a strong, united, supranational CFSP with the necessary defence capabilities such a policy would require. The UK seems the most sensitive of the three MS we are analysing as far as this proposal is concerned. France and Germany would, in principle, support such a development.

Without having a united supranational CFSP, it would seem unnecessary and more than a little bizarre to create the post of a double hatted European foreign minister. How could such a person claim to represent EU views on collective defence and security on the international stage if no such collective views exist? Pro-integrationist MSs might push for a supranational CFSP with a double hatted European foreign affairs minister in exchange for accepting a permanent Council president. This would please France and Germany, as it is keeping with their joint proposal. However, I believe the UK and other MSs wary of greater integration in CFSP would not accept such an exchange and therefore the likelihood of a double hatted foreign affairs minister being created looks in doubt.

### **III. Two Scenarios for Future EU Institutional Architecture**

I see two possible scenarios for the institutional development of the EU. Both scenarios stem from the central element of both the Franco-German and the UK/Spain proposal, namely the creation of a Council president. The first scenario would see a Council president as acceptable. In my opinion this is the most likely outcome of the Convention. A second scenario would see a Council president rejected by some or all of the MSs. I see this second scenario as less likely than the first. My reasons for believing that the first scenario is both more likely and more beneficial for the EU will hopefully become evident.

#### **A/ Scenario 1: Council president is accepted**

If a consensus were to be found through inter-state bargaining concerning a Council president, I believe it is likely that the other elements of the Franco-German proposal would become acceptable. This is true for the UK, which welcomes the idea of a Council President but is not so happy with the idea of the EP electing the Commission President:

*“If Mr Blair wants the European Council to have a new President, he will have to accept a role for the parliament in choosing the Commission president.”<sup>88</sup>*

All those pro-integrationist MSs such as Benelux, Germany, Ireland, Sweden etc. would naturally support the supranational elements of the Franco-German proposal. I believe the more intergovernmental countries, for example the UK, Spain and Italy would be forced to accept these elements too, if the small MSs accepted a Council president. I cannot see a permanent Council

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<sup>88</sup> “The twin peaks of European Leadership” by Charles Grant. Published in the Financial Times on 15th January 2003

president being accepted by small MSs, the Commission and the EP, without the large MSs' acceptance of at least one of the two significant supranational propositions, namely election of the Commission president by the EP or a double hatted foreign minister responsible to the Commission rather than the Council.

Given such a choice, I see it as more likely that the UK and other large, traditionally intergovernmental MSs will opt to concede that the Commission president be elected by the EP. As we have already seen this might cause certain problems concerning rivalry between the two presidents or the politicisation of the Commission. However, such concerns are minor in comparison to the problems a supranational European foreign minister would create for certain MSs, especially the UK. I see the creation of a strong CFSP, with or without a single European foreign minister, be he single or double hatted, as a positive long-term aspiration for a united EU but essentially an impossible short-term demand.

### **B/ Scenario 2: Rejection of the proposed Council president**

A second scenario would see a permanent Council president as not being widely acceptable as part of a wider package deal. If this were the case, I believe France or the UK would never accept the supranational elements of the Franco-German proposal. Paradoxically, therefore, an intergovernmental reinforcement through a permanent Council president is, in my opinion, the most likely way of simultaneously assuring further reinforcement of EU supranational elements. This reasoning is in fact very similar to the "spirit" of the Community method, even if I feel a Council president would tip the institutional balance in favour of the European Council, that is to say the Mss.

We must also realise that regression or stagnation is a potential scenario for the future EU. If MSs bicker over their national interests and their relative importance, as we saw in Nice, institutional reform may not be possible. This is a highly unlikely scenario but must be considered none the less. Enlargement, the Convention, political pressure and the IGC work method all greatly reduce the likelihood of the EU coming to a complete standstill. However, if this were to start looking likely at the IGC, a new package deal, resembling neither scenario one nor scenario two would need to be devised. The creation of a completely new scenario would totally undermine the Convention's work. Moreover, it remains unlikely that in three or four days the IGC will be able to find new ideas which are more widely acceptable than those proposed by the Convention.

## CONCLUSIONS

The EU project is a unique creation: something, which has developed and changed over its fifty years of existence. There is no single explanation for the present institutional set-up within the Union. Rather, there is an amalgam of factors, which have helped to create and shape it. Enlargement, both past and present is, to my mind, the biggest single influencing factor on the institutional set-up of the Union. Everyone seems to agree that the present enlargement, which will reunite the European continent, is a good thing for both old and new MSs. Blair describes enlargement as Europe's "*greatest challenge but also its greatest opportunity*"<sup>89</sup>. Chirac describes it as "*a legitimate and necessary thing*"<sup>90</sup>, whilst Schröder highlights the Union's "*desire and ability*"<sup>91</sup> to enlarge. All MSs also agree that the present enlargement of the Union will necessitate institutional reform.

This paper has looked at the varying existing theories and visions concerning the past, present and future evolution of European integration. The Union, as it is today, is the product of the Community method, a careful balance between intergovernmental and supranational entities. This sui generis theory highlights the importance of the inter-institutional balance, which aims to reflect the Union's dialectic essence as a Union of states and peoples.

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<sup>89</sup> "Europe's political Future" Speech by Mr Tony Blair at the Polish Stock Exchange, Warsaw, 6th October 2000

<sup>90</sup> Jacques Chirac in a speech to the Bundestag, Berlin, 27th June 2000

<sup>91</sup> "Après la réforme: des stratégies d'avenir pour l'Europe entière" Gerhard Schröder

The present day Union incorporates several elements of intergovernmental integration theory, the most symbolic and powerful of which is a continued strong role for the European Council. France and the UK, the two oldest and most patriotic modern European nation-states traditionally defend these intergovernmental elements. Intergovernmentalism can still be seen as the heart of French and British EU policy and the visions of the leaders of these countries. This is in part why intergovernmental elements will remain a quintessential component of the EU, not least in the short term.

There are those MSs (Germany and Benelux) and individual politicians (Fischer and Schröder) who admire the federal elements of the current EU and see federal theory for EU integration as desirable. Incremental and speedy extension of the EP's powers and an important role for the Commission as Guardian of the Treaties define the present day EU as more than just a loose confederation. However, I believe the federal vision does not command sufficiently wide spread support in European capitals to be a valid, short term option for EU integration. That is not to say that it will not become so over the next few decades. In fact, I would see this as a positive evolution.

In analysing different EU integration theories and the different EU policies of the UK, France and Germany, I believe we have been able to explain the fundamentals behind the Franco-German and the UK/Spain proposals concerning institutional reform. These proposals highlight diverse and multiple visions of the EU of tomorrow. Both proposals seem to suggest that future EU integration will incorporate elements of all three of the integration theories discussed. I believe that despite the convening of the Convention, it is still the MSs that remain the key actors in EU integration. I believe this opinion will be confirmed during the next IGC.

The importance of the next IGC is fundamental for the future of the EU project. In their compromise proposal, France and Germany have once again provided the impetus for EU integration. Their proposal embodies the Community method “spirit” and incorporates both intergovernmental and supranational elements. I believe it could form the basis of a package deal within the IGC, as the combination of intergovernmental and supranational will probably be acceptable to most MSs. I don't believe a more federal proposal would be acceptable to France or the UK, nor would such a proposal command popular support. By the same token, I feel the supranational elements of the Franco-German proposal will be seen as the most realistic concession possible to pro-integration MSs such as Germany and the Benelux.

A re-inforcement of intergovernmentalism through a Council president may paradoxically also increase the power and influence of the supranational elements of the EU. These reforms will reinforce all institutions, in keeping with the Community method. Whether the balance between these institutions will be affected, remains to be seen. I tend to believe a Council president will tip the balance in favour of the intergovernmental European Council. I see this as unfortunate, from a pro-integrationist viewpoint but also as almost unavoidable.

Whilst federal theory and Fischer's vision merit serious consideration for the EU project in the medium to long term, I do not believe they are appropriately realistic answers to the current institutional questions posed by enlargement. I remain optimistic that the Convention and the IGC can propose the necessary reforms to allow the EU to evolve positively. I hope the next IGC will develop the Convention's proposals and allow the EU of tomorrow to become as politically united and successful as it is economically. The IGC won't mark the end of the road, as there are still several junctions or exits ahead. However, if the IGC uses the Franco-German proposal as a basis for negotiation, I believe it will have taken the biggest step possible as far as institutional reform is

concerned. What is more important is that in general, this step must be seen as a step in the right direction, even if the final destination for EU integration remains ambiguous.

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