

Fire-fighters, Policemen and Architects for European Integration

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Synthesis of the panel discussion “A Federal Europe - The only way to save the euro and the EU?” co-organised by Notre Europe and the European Policy Centre (EPC) on 12 July 2012 in Brussels.

In order to address this topical question, the following participants were invited:

- **Gaëtane Ricard-Nihoul**, Political Analyst at the European Commission and member of the Board of Directors of *Notre Europe*;
- **Luuk Van Middelaar**, Speechwriter for European Council President Herman Van Rompuy;
- **Pieter Cleppe**, Head of the Brussels Office of Open Europe;
- **Janis A. Emmanouilidis**, Senior Policy Analyst at the European Policy Centre.

The debate was introduced by **Yves Bertoncini**, Secretary General of *Notre Europe*, and moderated by **Tim King**, Editor of *European Voice*. It was concluded with a series of questions and answers from the audience. This synthesis tries to summarise the key issues that were covered during the discussions.

1. What is being done in order to achieve a higher degree of integration?

1.1 “Small steps forward”?

- Member States have been brought into responsibility within a common and eventually binding framework. The set-up of and the decision to participate in the euro was an important step into that direction. Other “**small steps**” have followed and even the proposed fiscal union consists of a series of small steps¹ (Luuk Van Middelaar).
- Successive sequences of small steps are reaching the limits of what is possible. The moment has come, where it is necessary to **define a clear vision** for the future architecture of the European Union² (Gaëtane Ricard-Nihoul).

1.2 “Ambitious muddling through” or a more decentralised Union?

- The report “**Towards a Genuine Economic and Monetary Union**”³ that was issued by the presidents of four of the EU’s leading institutions (Herman Van Rompuy, José Manuel Barroso, Jean-Claude Juncker, Mario Draghi) in late June consists of a radical blueprint that, if adopted and implemented, would lead the EU and especially the countries of the Eurozone to a much

¹ Luuk Van Middelaar, *Le passage à l'Europe : histoire d'un commencement*, Gallimard, Paris, 2012.

² Gaëtane Ricard-Nihoul, *Pour une fédération européenne d'États-nations - La vision de Jacques Delors revisitée*, Notre Europe/Larcier, 2012 and [Synthesis of the book](#) by Yves Bertoncini, *Notre Europe*, April 2012.

³ European Council, [Towards a Genuine Economic and Monetary Union](#), Report by President of the European Council Herman Van Rompuy, 26 June 2012.

higher level of fiscal, economic and, ultimately, political integration within the next decade. This could be called “ambitious muddling through”⁴ (Janis A. Emmanouilidis).

- A supranational European Union is not acceptable to citizens; a more decentralised European Union is necessary. Some Member States might not be able to stay in the currency union, but other aspects like **the four freedoms are solid foundations** (Pieter Cleppe).

2. Which different approaches could be chosen now?

2.1 *Following the conclusions of the June 2012 European Council*

- With the agreement on a roadmap for the four Presidents that invites them to report again at the October and December 2012 European Councils, **the first of four stages towards a higher level of integration has been taken**. The last part of the draft report (on the topic of legitimacy) would have needed a fifth President as a contributor, the President of the European Parliament (Janis A. Emmanouilidis).
- The roadmap reflects the idea of **transferring powers from Member States to the “centre”** and to bring them into binding frameworks. Europe will be stronger by bringing together national actors according to the intergovernmental model. Only in the case of countries “under programme”, like Greece and Portugal, the “centre” can dictate the economic, social and budgetary choices of individual Member States (Luuk Van Middelaar).

2.2 *Moving forward with a clear vision for the future, a “Federation of Nation States”?*

- It is important to acknowledge that the European Union is already a federation. A common understanding of federalism (in the same way as the word has been used by **Jacques Delors in his phrase and vision of a “European Federation of Nation States”**) could be based on the definition by French philosopher Olivier Beaud and a distinction between State, Empire and Federation. Federalism should not be equated with centralisation. In fact, federalism could build bridges between the European democracy and national democracies (Gaëtane Ricard-Nihoul).
- There is a temptation to do a great leap forward in order to create a stronger sense of co-responsibility. People in power start thinking about more systemic responses. In fact, short-term answers and a long-term vision are necessary. **If Member States want investors to buy 10-year bonds, they must know and communicate how the Economic and Monetary Union will look like in ten years’ time!** But one should be careful about the instruments that are in the toolbox, ensure the collective involvement of all players and not build Europe against hostile opinions. Now, after the fire is extinguished, Member States have agreed on policing in order to enforce the rules. Small and pragmatic steps should be preferred (Luuk Van Middelaar).
- The question about federalism is the right one. Decision makers, including British Prime Minister David Cameron, now call for the **Eurozone “to go federal”**, since it is hard to have a common currency if economies are not convergent. But some re-thinking is necessary: Will a federal Eurozone with fiscal transfers solve the current crisis? In the case of Spain, stronger Eurozone economies would pay, but this would not create jobs (Pieter Cleppe).
- **The appetite for United States of Europe does not exist**, but, indeed, a higher level of integration is necessary. For European integration, a “finality” is not necessary, even problematic and would provoke the emergence of schisms among and within Member States. Therefore, just like in the past, the functional approach should be and will be followed: “Muddling through” has been and will be the common mantra (Janis A. Emmanouilidis).

⁴ Janis A. Emmanouilidis, “[The prospects of ambitious muddling through – the results of an EU Summit in deep crisis mode](#)”, *Post-Summit Analysis*, July 2012.

3. What are the challenges ahead?

3.1 *The process and the deadlocks on the way*

- The challenges require solutions beyond the lowest common denominator, not only muddling through, but **“ambitious” muddling through**; at the same time one must keep in mind that all these decisions must be ratified at the national level (Janis A. Emmanouilidis).
- **The European Union is currently facing three deadlocks.** These concern competences, government and democracy, or in short “who does what?”, “who decides?” and “how are decisions taken?” In order to address them, another Convention is necessary (Gaëtane Ricard-Nihoul).

3.2 *Unsolved institutional questions*

- **Institutional questions might be the most difficult questions to deal with:** The European Commission could be made a more political body with a stronger legitimacy, but to politicise it completely would put at risk the role of the Commission as defender of the European interest. Another crucial question is the size of the Commission (Gaëtane Ricard-Nihoul).
- One must be careful with institutional engineering. **New double-hatted functions**, like a “Mr Jean-Claude Rehn” who would merge the offices of the Eurogroup Chairman and the Commissioner responsible for Economic Affairs, **cannot solve all problems** (Luuk Van Middelaar).