

## REFLECTIONS ON POLITICAL UNION

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**N**otre Europe - Jacques Delors Institute publishes the synthesis of the round table entitled “No monetary union without a political union?” organised during the annual meeting of its European Steering Committee on 24 November 2012. On the basis of a keynote speech by António Vitorino, the differentiation of today, the political union of tomorrow and the connection to the citizens have been discussed.

The submission of the report entitled “Towards a Genuine Economic and Monetary Union” to the European Council meeting on 13 and 14 December 2012, and the new institutional balance within the European Union in general, both put forward the question of political union. That issue was thus at the heart of a debate at the 3<sup>rd</sup> round table of the meeting of the *Notre Europe - Jacques Delors Institute* European Steering Committee, preceded by an introductory presentation delivered by António Vitorino. The debate addressed, in particular, the topics of differentiation (1<sup>st</sup> part), of the political union of the future (2<sup>nd</sup> part) and of links with the citizens (3<sup>rd</sup> part).



## 1. The differentiation of today

Differentiation is a **protective shield for Europe as it moves forward**, to revive the formula devised by Hans-Dietrich Genscher and by Jacques Delors who had pointed out on the previous day that “differentiation is one of the keys to Europe’s dynamism today just as it has always been in the past”. At the same time, it is true that differentiation, already complex, **is going to become even more complex than in the past**. It may prove necessary to pursue **the model** of the **Fiscal Compact** comprising

an intergovernmental treaty based on international public law rather than on Community law, while still allocating competences to the European institutions. In this context, the participants’ debate focused on the term to be used to describe a construction of this kind, the nature of the new political balances thus established and, in particular, the euro zone.

### 1.1. How should we call this “differentiated” construction?

“**Differentiation**” is the preferred denomination **at this stage**, although it does not attract unanimous support. It appears to leave Poland and the United Kingdom by the wayside. That is the reason why the term “multi-tier Europe” was mooted, but it was then argued that this term does not reflect the fact that the member states which undertake closer cooperation are not always the same and that the composition of these sub-groups varies.

The term “**multi-speed Europe**” could describe a Europe open and ready to accept new participants, whereas a “multi-tier Europe” resembles a kind of exclusive club. It was stressed that it is in any case not easy to get the Community method to function properly in the context of a “multi-tier Europe”.

### 1.2. New political balances

New balances have arisen between the two key institutions: **the European Council** which is a crucial institution and has come to the fore with the management of the euro zone; and **the European Commission** which, in its capacity as an institution, is making up lost ground with the Six-Pack, the Two-Pack, and the TSCG.

But there are also new balances, or imbalances, among the member states. The United Kingdom is drifting away from the European integration process,

whereas its influence on the European continent has guaranteed the balance of powers. The recent imbalance between France and Germany could also be a risk for the “genuine economic and monetary union” currently being set up.

### 1.3. The euro zone

The debate also addressed the issue of a **deepening of the euro zone, perceived as the “centre of gravity” of the European Federation of Nation States**. Yet it was highlighted that this prospect must include those member states obliged to join the euro, for which a report prepared by the ministers for Foreign Affairs, led by the German Guido Westerwelle, has invented the name “pre-in”. This term applies to eight of the ten member states that do not currently have the euro for their currency, because the United Kingdom and Denmark have an opt-out (although Denmark signed the Fiscal Compact). Thus it is a matter of completing and of deepening the EMU with all those countries that are interested in doing so.



## 2. The Political Union of tomorrow

Regarding political union, which already exists, **the aim is not to wait for a great federal revolution to take place**, but to adopt clear aims and to safeguard the cohesion and consistency of the European Union as a whole. The three main issues discussed during the debate were the framework for political union, the role of the Community method, and the involvement of national parliaments.

### 2.1. What framework for deepening political union?

The priority must be to **deepen political union within the framework of the euro zone**, to build a stronger euro zone without a separation, but with bridges between the euro zone and the Greater Europe.

The choice of deepening political union within the framework of the euro zone requires some explanation. It can be explained from a functional standpoint, in that a stable currency with budgetary and financial discipline, with a euro-zone budget, with a banking union and with a common economic policy calls for deeper political union. But it also needs to be explained from a social and political viewpoint: the current crisis has clearly demonstrated that being a member of the euro zone entails specific rights and duties for the member states and citizens involved, and all of them have ultimately committed themselves to exercising those rights and duties.

In such a context, the tool to use is thus **enhanced cooperation**, because as a principle, it is the only tool that allows the Community institutions to manage differentiation and that gives all member states wishing to join the process the opportunity to do so. It is **effective** in that it **reassures those who wish to be in it and it encourages those who wish to do it**. Thus it seems possible, indeed desirable, to ensure that an enhanced cooperation for the euro zone is **operational by 2014**.

### 2.2. The Community method

Using the Community method to **manage differentiation** ensures that natural convergence will be prompted by the existence of common institutions and goals. If it is impossible to adopt this as a starting point, the longer-term aim must be to reinstate **the Community method through intergovernmental treaties** (following the example set by the Schengen Agreements). But it is also a preemptive approach, in view of the way the intergovernmental dynamic has been given priority due to doubts about the Community method<sup>1</sup>.

### 2.3. Involving national parliaments

The round table discussions focused on the formula that needs to be adopted in order to ensure the simultaneous involvement of both the European Parliament and national parliaments.

It was pointed out that Article 13 in the TSCG refers to national parliaments and to the European Parliament when it urges them to **build a meeting-point between the two forms of democratic legitimacy** which they represent. The article mentions the committees “concerned” but it avoids making

the choice between the European affairs committees and the budgetary or financial affairs committees of national parliaments. Yet the organisation and format of such a meeting point or conference remains an issue which still needs to be defined.

The prospect of the establishment of a **parliamentary committee for the euro zone**, comprising national MPs from member states whose currency is the euro and MEPs, prompted participants to debate the powers such a committee might enjoy. Should those powers be decision-making or merely supervisory? It emerged during the ensuing debate that even the very motion of “democratic supervision” can be ambiguous, pointing either in the direction of a decision-making capacity or more simply to forging a dialogue. A committee of this nature might simply exercise political supervision over decisions (reached by the heads of state and government) that have implications on national budgets. And it obviously would neither take the European Parliament’s place nor constitute either an “institution” in itself or some kind of “third chamber”.

It was pointed out that the establishment of such a parliamentary committee, whatever its format and whatever its mandate, might well have **unexpected repercussions** on the existing institutions: the confrontation between the government and the opposition could transfer to the European level; national parliaments have hitherto taken little interest in European affairs, but a “secondary” parliamentary contribution could complicate matters.



### 3. Connecting with the citizens

The third crucial question arising is: what has happened to the European political and democratic space since the start of the crisis? In order to get citizens more involved, the most important task is doubtless to **explain what is at stake**, while the **European**

**elections in 2014** will also be playing a key role and **a modification of the treaties** is still on the agenda in the medium term.

#### 3.1. The task of explaining

It is a matter first and foremost of explaining the need for “**greater integration**” on the basis of the consideration that the current crisis has proven that a majority of citizens in the euro zone had realised that being members of the euro zone would entail specific rights and duties (in terms of solidarity and of control).

To take integration further, the use of “**enhanced cooperation**” is relatively easy to explain. But two **basic questions** require clear answers: why do we need more integration? And why do we need a political union?

#### 3.2. European elections in 2014

It is necessary to **seek an explicit mandate for major European policy decisions** at the elections in June 2014, including for new transfers of spheres of authority. But the European elections are first and foremost a factor for competition among political parties – they cannot be turned into the election of a constituent assembly. Thus it is important to better define the **content of political union in order to stir the citizens’ interest**, while simultaneously formulating solutions for getting out of the current crisis; and those solutions must be given priority. Thus the message for “2014” is going to be political rather than institutional.

#### 3.3. Should we change the treaties?

**A priori, differentiation** through enhanced cooperation **would not require that the treaties be modified**. Differentiation through an intergovernmental treaty based on international public law, for its part, would require ratification but it would not require unanimity among the 27 before negotiations are launched, nor would it require ratification by all of the contracting parties, as long as a clause to that effect were to be included in the text.

Political union must be developed on the basis of a deepening of European integration via the three

“building blocks” mentioned in Herman Van Rompuy’s report, namely “budgetary union”, “economic union”, and “banking union”.

In the medium term, a **modification of the treaties** cannot be ruled out, indeed it is even **likely**. For instance, the treaties would need to be modified if the European Commission were to be endowed with new powers.

## Conclusion

Given the importance of these issues in the perspective of the European Council meeting of the 13 and 14 December 2012, all these discussions led the participants of the 2012 European Steering Committee to amend and adopt a final declaration entitled: “The Eurozone, core of a political union”<sup>2</sup>. This declaration was translated into several European languages and published in more than 10 media all over Europe, so as to contribute to an essential debate, to be deepened in the perspective of the June 2014 European elections.

1. This aspect of the reflection is part and parcel of the work done by *Notre Europe - Jacques Delors Institute* – see in particular the [synthesis](#) of the seminar hosted in conjunction with BEPA in Brussels in February 2012.
2. Jacques Delors, António Vitorino and the participants of the European Steering Committee, “The Eurozone, core of a political union”, *Tribune, Notre Europe - Jacques Delors Institute*, November 2012.

### THE EUROZONE, CORE OF A POLITICAL UNION

Jacques Delors, António Vitorino and the participants of the European Steering Committee, *Tribune, Notre Europe - Institut Jacques Delors*, November 2012

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António Vitorino, *Tribune - Viewpoint, Notre Europe*, September 2012

### FIRE-FIGHTERS, POLICEMEN AND ARCHITECTS FOR EUROPEAN INTEGRATION

Valentin Kreilinger, *Synthesis, Notre Europe*, September 2012

### FEDERAL LEAP OR POLITICAL UNIONS?

Yves Bertoncini, *Tribune - Viewpoint, Notre Europe*, June 2012

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Yves Bertoncini, *Synthesis, Notre Europe*, April 2012

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António Vitorino, *Tribune - Viewpoint, Notre Europe*, February 2012

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Yves Bertoncini, *Tribune - Viewpoint, Notre Europe*, January 2012

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Valentin Kreilinger, *Synthesis, Notre Europe*, January 2012

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