The EU's Future: The Federalism/Intergovernmentalism Debate
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Introduction and context

The European Union is the most significant project in post-1945 Europe, and the most advanced example of institutional cooperation between countries in the world today. Its scope should not be underestimated, nor should the symbolic power it possesses in a continent whose nations have fought wars for centuries. The word 'project' is an accurate description as its first architects intended for what the Treaty of Rome (1957) called "an ever closer union" to develop from the foundations they laid down. The EU (which only acquired its current name in 1991) has developed into much more than a convenient trading arrangement between a set of separate states. It now has central institutions, located mainly in Brussels, which employ tens of thousands, some of the powers traditionally held by nation states, and to some extent a 'government' of its own which is democratically accountable to a Europe-wide electorate.

But there have long been significant disagreements about what the EU should be. Many of its 'founding fathers' (the French statesman Jean Monnet, foreign minister Robert Schumann, and many in the 1950s governments of the 6 founding countries of France, Germany, Italy, Belgium, Holland and Luxembourg) shared a 'federalist' vision for Europe. Motivated largely by the desire never again to see war in Europe they hoped for a European polity which cooperated for the greater good above national divisions.

Monnet, a devoted internationalist who had been deputy secretary-general of the weak inter-war League of Nations, was convinced that a strong supranational body with the ability to make binding decisions was vital for achievements beyond those of treaties. The European Union, of course, started as the European Coal and Steel Community, with production of these vital war materials 'pooled' across the frontiers so as to make internal war impractical, an arrangement that was also much more efficient. But this 'federalist' model of Europe has developed to see central institutions like the European Commission, Parliament and Court of Justice dealing with Europe-wide projects like the single market and currency, work, safety, product and environmental regulations and border controls, all of which are seen as better handled at an international level.

There are, however, many who disagree with such a vision of the EU, and, while agreeing about the great rewards of cooperation in many areas, see this best achieved through intergovernmental decision making, with governments from various nations negotiating for their country's interest. They are sceptical about the EU becoming too supranational an organization, often because they see this as an intrusion on nation states' rights and are concerned that it is not democratic enough. Any model for the EU has to consider accusations of a 'democratic deficit.'

The debate as to the EU's shape is becoming increasingly topical. Already, a Convention on the Future of Europe is discussing proposals. An inter-governmental
conference in 2004 will then decide what many (intergovernmentalists especially) think may be the "final state" for Europe. The institutions of the EU need reform anyway as the current round of enlargement may increase the total of countries to 27, with potential for gridlock. There are proposals for a European constitution, itself a contentious issue. The decisions taken in the near future may determine what kind of EU develops, and it is important to consider the competing models closely.

The debate

The use of the term 'federalism' to describe one vision of the EU can be confusing. Perhaps the world's most famous federal system is the United States of America, and so to some the word conjures up visions of a United States of Europe[1], a single country. But this is rarely what federalists themselves mean. Timothy Bainbridge's EU Companion defines it as "a division of responsibility between a central authority and [nation states.][2] As already mentioned, the federal vision of the EU has always envisaged a small central authority, controlling a limited number of areas (with the rest clearly laid down as states' rights in a constitution - see endnote[3] - on the subsidiarity principle that places decision-making at the lowest effective level.) But its power in those areas would be separate from the nation states, decided not at negotiations between governments but in the EU's own central institutions.

These are most importantly the European Commission and European Parliament. The European Commission was envisaged by the early federalists as the EU's sole executive and the motor of European integration, acting for the greater good where national governments feared to tread, wary of sacrificing their own powers and interests. In theory, it has the sole right of legislative initiative and is still the EU executive, but it has been weakened by recent developments. The European Council of heads of government and the Council of Ministers in practice decide what agenda is to be pursued and (more importantly) what stays off the agenda, with approximately 70% of population-weighted votes[4] required to pass most measures and a national veto remaining on some.

Federalists argue that it is better for the Commission to serve as executive, as it has the wider interests of the community at heart. (All commissioners must swear not to privilege their own nation.) The central executive, they argue, should not be beholden to national squabbling, interests and obstructionism as this would paralyse the EU. Indeed, the Commission was central to pushing through the common market and single market, two EU measures that brought great economic benefits.

The Commission consists of unelected Commissioners, one or two appointed by each country, who run a technocracy. There are concerns that as such it is insufficiently democratic. This situation has improved recently with the Parliament now approving each individual Commissioner and scrutinizing the Commission more closely, but some[5]
suggest a more radical democratisation, with a directly elected President who might be able to choose his own commission. This would give a Europe-wide electorate the chance to determine its agenda. But a problem is the general population's lack of interest and knowledge (turnout in European elections is typically quite low.)

The same criticism applies to the European Parliament, but federalists nonetheless hope it can add sufficient democratic legitimacy. Though still less powerful than a national parliament, its powers have increased recently. Ist could be made the only legislature, and a democratic watchdog. The federalist model has the European Council stepping down from its oft-vetoing role, though some suggest a second chamber representing member states and their regions to take its place[6].

Intergovernmentalists, however, want a very different Europe. Prominent in Britain and France, they think that control over joint projects should be firmly in the hands of national governments. This would keep a reformed Council of Ministers and European Council as the most powerful bodies, with ministers agreeing on matters in their responsibility and heads of government deciding the most difficult questions and steering the EU. The Commission and Parliament would take a less prominent role. Intergovernmentalists often want the Commission to be severely weakened as an executive, casting it more as a civil service charged with suggestion and implementation of new measures. The Parliament would become a legislative body passing measures, scrutinizing their execution and perhaps[7] in a second, regionally-based chamber enforcing subsidiarity, along with national parliaments.

Their arguments for this often centre around democracy. They argue that the people of Europe elect national governments, and these representatives, not unelected Commission 'bureaucrats', should make the important European decisions that affect the everyday lives of Europeans. They tend to believe that democracy should not be extended beyond the nation state, either because of pragmatic concerns over Europe's size and many languages or because of an ideological, often conservative, attachment to historic nation states as distinct polities. The fact that they also often want radical reforms for the EU must be remembered. Federalists' primary concern with their model seems to be with its efficiency at promoting truly international policies which can be of great benefit, but both models must be evaluated on democracy as well as efficiency.

Some arguments

Recently, several very different proposals for the EU's future shape have been made, most importantly by France, Germany and Britain. Of the three blueprints, Germany's is the most federal, with the 2001 Schroeder Plan[8] calling for a strengthening of the Parliament and Commission. Foreign Minister Joschka Fischer has also suggested a directly elected Commission President. Germany is itself a federation, and the word there implies strong powers for the Länder (federal states), so the Schröder Plan calls for a new chamber of the states to protect subsidiarity. With an interest in controlling their larger neighbours, smaller countries (Holland especially) also tend to be more federalist.

French President Chirac has called for "a federation of nation states", while Prime Minister Jospin wants a permanent council of ministers and scrutiny by a "congress" of
national parliaments. Similarly intergovernmental are British Foreign Secretary Straw's proposals for a 'Super Council' of ministers, an 'EU Supremo' chosen by national governments, and a second Parliamentary Chamber to police subsidiarity. Chirac favours a "pioneer group" (Jacques Delors similarly suggested a "circle ... sail[ing] into the direction of a political union."[9]) But Jospin opposes this idea.

All three countries reject paranoid fears of a "super-state" and want to keep the EU's scope limited. There is little prospect of a large 'Euroarmy', uniform taxation or a foreign policy dictated from above - cooperation here is seen as requiring intergovernmental unanimity. These would all be unsellable to citizens. Commission President Prodi has said: "If a country want to have lower taxation and expensive hospitals, or higher taxation and free hospitals, why not? Or free school, why not? I am not bothered."[10] An intergovernmental EU could function efficiently, if limited in scope.

A common federalist argument points to its bypassing of obstructionism based on national self-interest. John Pinder[11] cites the common market and single market: both were pushed through by strong Commissions and led to marked economic booms in the 1960s[12] and 1980s. The single market was only achieved after national vetoes on it through unanimous voting were removed by the Single European Act. Intergovernmentalism would become ineffective were Europe to integrate much further.

Defending intergovernmentalism, Tony Blair says that democratic legitimacy comes from member states[13], a view echoed by the French and very influential. But the claim that secret negotiations between national politicians are the zenith of democracy should not go unquestioned. Whatever the likes of Charles De Gaulle may have declared, national mandates cannot be said to extend to European affairs, where deals rarely mentioned in manifestoes are made, sometimes to the outrage of citizens. Looked at this way, German federalist proposals for a directly elected Commission President seem more appealing; at least he - or she - would have a distinctly European mandate.

So, in my view, the federalist model comes out ahead not only in its traditional strength of effectiveness, but also in democracy - after all one of the main values of 'the new Europe.'

Possible developments

Crystal ball-gazing is a risky business in the clearest of cases, and the EU's future is murky, to say the least. However, some short term predictions and comments can be made.

Enlargement is the key factor. It now looks likely that 10 post-Communist countries, as well as Cyprus and Malta, will join the EU in 2004-2008, with a huge impact. A federation would be unlikely in these circumstances, at least until poorer countries catch up and enthusiasm among citizens spreads. Unfortunately, this does not look likely in the next decade. Already, the European debate is taking an intergovernmental tilt, with only Germany and some smaller nations holding out.

The 2004 Intergovernmental Conference is likely to create a constitutional document. However, Europe will not have reached its final shape by 2004. Few could doubt that the Euro's introduction has been greeted with a surge of enthusiasm in participating countries. Integration in foreign and defence policy, justice and home
affairs, and economic and monetary union continues. In the last 50 years, the world has become a smaller place, and the pressures of globalisation which helped create the EU exist even more strongly today. These factors suggest that federalism may yet have its day.

Endnotes

1. Something Winston Churchill, of all people, advocated, though he did not intend that Britain would join.


3. A constitution is seen by some, particularly in Britain where there is no written constitution, as synonymous with the creation of a new state. But the EU already has a de facto constitution in the sum of past treaties. Simply using the word 'constitution' to describe this would make no practical difference towards the creation of a state.

4. Skewed towards smaller nations so an even larger majority is required.


6. Such as the Briton Roy Jenkins, and German politicians such as Chancellor Schröder.

7. As in the recent (22nd February, 2002) British proposals.

8. Which came in the shape of a draft document for the SPD party convention of November 2001. Gerhard Schröder is German chancellor.


10. Quoted in The Elephant Test, an article in 'The Observer' newspaper.

11. A noted federalist, author of many books on Europe and the Chairman of the Federal Trust. Here, he is writing in his excellent The European Union: A Very Short Introduction (OUP, 2001)

12. Community growth averaged 5% over this decade, double that in the US and Britain.