

The 1996 Intergovernmental Conference: Background and Preparations

Research Paper 94/115

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The Treaty on European Union which came into force on 1 November 1993 requires a "conference of representatives of the governments of the Member States" to be convened in 1996 to examine certain Treaty provisions and submissions from member states and the EU institutions on the policies and future organisation of the Union. A preliminary examination of these submissions will be made by a Reflection Group set up by the European Councils in Ioannina and Corfu in 1993, which is due to start work in June 1995.

Although there have been no formal proposals as yet, there has already been some discussion in member states of issues which are likely to be on the 1996 agenda. Leading politicians in the UK, France and Germany have set out their views on Europe in policy speeches and documents which will no doubt influence the debate on the future of the Union. This paper looks at some of these proposals and the background to the IGC itself.

Subsequent papers in this series will consider issues arising from both informal proposals and formal submissions and will monitor progress in the 1996 Intergovernmental Conference.

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I Treaty Base

The Intergovernmental Conference (IGC) due to be convened in 1996 is triggered by Article N of the Maastricht Treaty on European Union (TEU) and some of its prospective tasks have been approved by subsequent European Council summits. It is therefore enshrined in an international treaty and various international agreements to which member states are bound under international law. The IGC's main task will be to review certain of the Maastricht provisions, as stated in Article N:

A conference of representatives of the governments of the Member States shall be convened in 1996 to examine those provisions of this Treaty for which revision is provided, in accordance with the objectives set out in Articles A and B.

Although the IGC must be convened in 1996, the Treaty does not make any further timetable stipulations. The Conference may well continue into 1997 in view of the nature of the revision and precedents such as the negotiations which led to the Treaty on European Union. The Treaty was finally signed at Maastricht on 7 February 1992 after a year of preparation in 1991. There will have to be a general election in the UK by May 1997, so the timing and conclusion of the IGC could become a significant factor in the campaign.

II The Reflection Group

At the European Council in Brussels in December 1993, a Declaration was recorded in the Presidency Conclusions on the inclusion of an examination of Qualified Majority Voting and Commission membership at the 1996 IGC. This was later confirmed in the Ioannina Declaration which resulted from the informal Council of Ministers meeting in March 1994. This meeting also established the Reflection Group (also known as the Study Group and the Committee of Wise Men), which would consist of representatives of EU Foreign Ministers and would "work in association with the European Parliament".

The Corfu European Council Presidency Conclusions of 25 June 1994 contained a section on the 1996 IGC and the Reflection Group, giving a more positive role to the European Parliament, which will 'participate' in the Group rather than 'be associated' with it as the Ioannina text had stated. The EP has nominated the German European People's Party MEP Elmar Brok and the French Socialist MEP Elisabeth Guigou to the Reflection Group, which is due to start work in June 1995 and will report to the European Council at the end of 1995.

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The Maastricht Declaration on the Role of National Parliaments in the European Union¹ called for "greater involvement of national Parliaments in the activities of the European Union" and there has been interest in the UK Parliament in the expected role of national parliaments in the IGC, the role of the European Parliament and the availability of Reflection Group documents. The Foreign Secretary Douglas Hurd told the Foreign Affairs Committee that they should contribute their views to the Reflection Group when it starts work next June. He has suggested that the Foreign Affairs Committee and the Select Committee on European Legislation might coordinate their efforts in preparing submissions to the Group. The Lords Select Committee on the European Communities is to appoint an extra ad hoc Sub-Committee in January/February 1995 which will receive oral and written evidence on the 1996 IGC process and publish a considered report for debate in the House. Whether or not there will be co-operation between the Committees of both Houses in this context remains to be seen.

As to the availability of Reflection Group documents, it is still not clear how the work of the Group will be reported and in what form it will be published. However, it is expected that reports will be publicly available and deposited in the House.

III The Agenda

The Corfu European Council concluded:

The Reflection Group will examine and elaborate ideas relating to the provisions of the Treaty on European Union for which a revision is foreseen and other possible improvements in a spirit of democracy and openness, on the basis of the evaluation of the functioning of the treaty as set out in the reports. It will also elaborate options in the perspective of the future enlargement of the Union on the institutional questions set out in the conclusions of the European Council in Brussels and in the Ioannina agreement (weighting of votes, the threshold for qualified majority decisions, number of members of the Commission and any other measure deemed necessary to facilitate the work of the Institutions and guarantee their effective operation in the perspective of enlargement)².

Qualified Majority Voting and institutional reform will be high on the agenda as a result of the Ioannina agreement (see above). The Treaty also provides specifically for a review of the Common Foreign and Security Policy and the role of the Western European Union under Articles J4(6) and J(10). Under Article 189b(8), the powers of the European Parliament "may be widened ... on the basis of a report to be submitted to the Council by the Commission by

¹Cm 1934, p127

² Presidency Conclusions, European Council at Corfu, 24-25 June 1994

1996 at the latest". The areas of civil protection, energy and tourism, on which the Commission is to submit a report to the Council by 1996, will also be reviewed at the IGC³ together with a consideration of the "classification of Community acts with a view to establishing an appropriate hierarchy between the different categories of act".⁴ The pillared structure of the Union will also be discussed under Article B, which states that an objective of the Union shall be:

to maintain in full the *acquis communautaire* and build on it with a view to considering, through the procedure referred to in Article N(2), to what extent the policies and forms of co-operation introduced by this Treaty may need to be revised with the aim of ensuring the effectiveness of the mechanisms and institutions of the Community.

Article N(1) provides for any amendment of "the Treaties on which the Union is founded" and Article N(2) could cover an extremely wide range of areas which are defined very generally in Articles A and B of the Treaty. They include the promotion of economic and social progress through economic and monetary union, citizenship of the Union, co-operation in justice and home affairs, the maintenance of and building upon the *acquis communautaire*, including revision of the Treaty.

The agenda will become clearer once the Reflection Group starts work in 1995, but there is already considerable interest in the IGC both as an opportunity to revise aspects of the Maastricht Treaty and as a forum for discussion of the future shape of an enlarged Europe. Whether or not the IGC will be a comprehensive revision of Maastricht or will merely seek to review the operation of parts of it is not yet clear, although in view of current problems concerning the timetable for EMU, the need to adapt the structure and institutions of the Union for an enlarged membership and controversy over foreign, security and defence issues, it seems more likely to be the former.

There have been no formal submissions as yet, but informal proposals in papers and speeches from various parts of the Union have been made. Perhaps the most significant (and controversial) of these so far has been a document written by the German CDU/CSU Bundestag Caucus (ie the CDU/CSU parliamentary group) entitled *Reflections on Europe* which was published on 1 September 1994. This paper, which was written by two senior German politicians, Wolfgang Schäuble and Karl Lamers, and endorsed by Chancellor Kohl, is considered in more detail later.

³ Declaration on Civil Protection, Energy and Tourism, Cm 1934, p125.

⁴ Declaration on the Hierarchy of Community Acts, Cm 1934, p127.

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John Major made some suggestions on the 1996 agenda, saying in a speech in Leiden, the Netherlands on 7 September 1994:

The Intergovernmental Conference in 1996 is likely to bring many issues into sharp focus. How, for example, can we fashion a fairer voting system? Can we develop simpler and more transparent legislative procedures? Should the Council exercise more control over the Commission? Is the number of Commissioners becoming unwieldy as the Union enlarges? Should the Commission have new powers in some areas - for example to pursue budget fraud into the member states themselves?

The French Prime Minister Edouard Balladur also gave his view of the future development of the Union in an interview in *Le Figaro* on 30 August 1994. He suggested certain "simple principles" that needed to be respected:

- a clearer division of responsibilities between the different Union organs;
- strengthening of links between the member states;
- increased control by the people via their national parliaments and the EP;
- continuing to build the European economic space on which the Union's prosperity depends;
- strengthening the links between European currencies whilst limiting the possibility of one member state taking contradictory decisions;
- pursuing the aim of making the WEU the real European security alliance;
- immediate preparation of enlargement to the east.

On the Franco-German alliance, Mr Balladur was firmly in favour of strengthening relations between the two countries but without trying to force an attachment against the will of either party. He expressed disappointment in the achievements of the Union in the area of defence and called for more action and efficiency from the WEU. Whilst acknowledging the aims of the Eurocorps (comprising French and German forces along with those from Belgium, Luxembourg and Spain), he attached more significance to the development of the WEU as the EU's defence organ and to the will of the Union to make itself responsible for its own defence.

Other proposals are discussed in more detail below.

A. Institutional Changes

The review of the institutions of the Union will take account not only of the enlargement which is scheduled to take place in January 1995, but also of future enlargement, to include the smaller aspirant states, Cyprus and Malta, for example, and perhaps also some of the east and central European states such as Poland, Hungary, the Czech Republic, Slovakia, Bulgaria and Romania.

The administrative, linguistic and budgetary problems of enlargement, with the addition of Finnish, Norwegian (depending on the outcome of the referendum) and Swedish to the official languages of the Union will also have to be tackled. The Commission currently has 1,100 full-time translators and will need up to 60 more for each additional language.⁵ The European Parliament has 400 translators and will need about 40 more for each new language. The Council has 400 full-time interpreters and some 300 freelance interpreters a day to cover its meetings (up to 40 a day). There might be moves to restrict the number of working languages for financial and practical reasons.

The issues surrounding institutional change are both ideological and practical. How will a Union of sixteen or more members adapt its institutional structure so that it can function efficiently, so that one or two big countries do not dominate and smaller countries have some influence?

1. French and German Proposals in 1993

In September 1993 there were proposals on institutional reforms from Karl Lamers (CDU) and the French European People's Party MEP Jean-Louis Bourlanges. Lamers suggested a "double-majority" voting system in the Council requiring both a majority of member states and a majority of their populations to take decisions. For the Council presidency he proposed a new rotation, abandoning the current alphabetical system and leaving it up to member states to nominate large and small states alternately. He also called for a ceiling on membership of the European Parliament, regardless of the number of member states. This would prevent it from becoming unwieldy and for practical purposes might obviate the need for future large-scale building projects to accommodate an ever-growing EP. He suggested a 10-member Commission, to be selected by the Commission President from nominees by the member states and approved by both the European Parliament and the Council of Ministers. This would mean the larger states having one commissioner each and the smaller ones rotating commissioners between them. Lamers also proposed the possible creation of a second chamber or senate that would represent national parliaments directly.

⁵ Rory Watson, *European*, 11 March 1994,

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French proposals favoured the larger states at the expense of the smaller ones. They included reducing the number of Commissioners from 17 to 13, with the bigger states guaranteed 5 places at the table and the smaller states taking the rest on a rotation basis. This was not welcomed by the Irish Foreign Minister Dick Spring, who has said that "The central importance of the Commission makes it imperative that all member states be represented there at the highest level. There is no room for change that would deprive any member state of the right to appoint a commissioner".⁶ On the subject of the rotating presidency Mr Spring said: "I can see no evidence that small member states acquit themselves any less well during their presidencies than larger ones. There may be some evidence to the contrary as smaller states give greater political priority to presidency tasks".⁷ Nonetheless, it is questionable whether this argument could be sustained in the event of Malta or Cyprus achieving full membership of the Union.

2. German Proposals in 1994

The German CDU/CSU paper proposes institutional changes for the IGC based on the following principles:

- The objective must be to strengthen the ability of the EU to take action and to build it up, both democratically and federally.
- To what end, it is necessary to answer the fundamental constitutional question - Who does what? - in a constitution-like document which delimits the competences of the European Union, nation states and regions in clear language and defines the ideal foundations for the Union.
- This document must be based on the model of a federal state structure and on the principle of subsidiarity. This applies not only to the delimitation of competences but also to the question whether public entities, such as those of the Union, should take on certain tasks or should leave them to social groups All the present institutions, the Council, the Commission, the Presidency and the European Parliament, must be reformed. ... The reforms must be guided by the concept of a new equilibrium in the institutions, under which the European Parliament would progressively develop into a legislature with the same rights as the Council; the Council, in addition to other tasks primarily in the intergovernmental sphere, would take on

⁶*European*, 28 October 1993

⁷ *ibid*

the duties of a second chamber, ie of a chamber of states; and the Commission would assume the characteristics of a European Government.

3. The European Parliament

The EP passed a resolution on 17 November 1993 relating to the current enlargement negotiations, in which it called on the Council and Commission to consider:

revising the arrangements for the composition and appointment of the Commission, in accordance with Article 157 of the Treaty, to enable it to continue to include "at least one national of each of the member states" while not including "more than two members having the nationality of the same state", while the powers of its President should be reinforced, in particular as regards the procedure for appointment of the Commission and the organization of its work under the supervision of Parliament.

On the presidency rotation, the EP resolution wants provision for:

an automatic presidency rotation system to ensure both the right of all member states to occupy the presidency and balanced troikas, each one including at least one of the five most populous member states.

IV The Pace of European Integration

The imagery of building, geometry, gastronomy and transport being used to describe the future organisation and pace of change in the European Union is a response to the ways various member states envisage the development of the EU as it expands in membership and activities. There is little doubt that the structure and operation of the Union will have to adapt to the possibility of a membership of over 20 members towards the end of this century or early in the next. This membership might well include, in an already diverse group, small states such as Malta and Cyprus on the one hand and eastern and central European countries still in the process of moving from a centralised to a free market economy on the other.

The terms used include "Europe à la carte", "concentric circles", "variable geometry", "two-tier", "hard core", "multi-speed" and multi-track". The CDU/CSU document expounded on a 'hard core' model for the future pace of European integration, and this subject has already been discussed in various member states with reference to moves towards economic and monetary union.

The 1996 IGC will undoubtedly have to tackle the issues raised by the different perceptions of European Union and the ability of current and prospective member states to fulfil the conditions of membership. Some of the proposals that have been put forward so far are considered briefly below:

A. Europe à la Carte

Literally, this means accommodating the economic, political and social diversity of the Union with individual member states picking and choosing the policies that suit them and opting out of others. This has generally been viewed negatively by pro-integrationist member states and Britain has been accused of not embracing the spirit of the Community in opting out of parts of the Maastricht Treaty on European Union, namely the Social Chapter and commitment to the final stage of economic and monetary union. Most member states have obtained special conditions in matters about which they are particularly sensitive, whether it is the purchase of second homes in Denmark or the definition of nationality in Germany. The difference between these reservations and those of the UK is in the scale and significance of the British ones. Clearly, if every member state opted for this kind of European Union, it would be a completely different kind of union to the one originally envisaged, with an emphasis on the interests of the nation states rather than on co-operation and integration.

B. Variable Geometry

This covers a wide range of views on the EU's development and assumes that since not all members can achieve economic, social and political harmonisation at the same pace, there should be special arrangements whereby some member states would forge ahead while others followed at a slower pace and with long, Community-aided transition periods. This has already been happening to a certain extent with European structural funds and the cohesion fund introduced in the Maastricht Treaty to help those countries lagging behind in industrial development or other areas of economic activity.

In recent speeches and interviews, the German Chancellor Kohl has advocated a faster opening up of the Union to the east, allowing for long periods for economic adjustment. This is no doubt based partly on his own experience of helping the former East Germany to adapt to the requirements of the Union after it became a part of the EC with German unification.

C. Concentric circles

This theory is based on three concentric circles structured like a wedding cake. The European Union is the centre circle at the top; the middle circle is an intermediate phase similar to the current European Economic Area but called the Organisation of European Integration, and the outer circle or bottom layer includes prospective EU members which currently have association status with the Union. Movement between the circles would depend largely on developments in central and eastern European prospective members. This notion has been espoused by the French Prime Minister Balladur and resembles the German proposals for a hard core of countries at the centre of the Union, with other, slower pace countries on the outside (see also below), but with an additional layer of prospective members.

Edouard Balladur, in an interview for *Le Figaro* on 30 August 1994, set out his views on the future of Europe. He described a Europe of three circles: the first would be a free market economic union of member states, including those new members with long transition periods; the second, a smaller number of member states with a more organised monetary and military structure; the third circle would consist of non-EU members with which the EU would establish diplomatic, security, economic and commercial links, as the Conference on Security and Co-operation in Europe (CSCE) is already doing to some extent. Eventually, he suggests, the three circles would become closer so that there would be only two circles or perhaps even just one. Balladur envisages pragmatic progress towards union: the more the EU expanded, the more it would diversify, although for some time to come, it would have a central homogeneous core consisting essentially of France and Germany. Around them would be the other member states governed by different laws in certain areas (eg monetary, social, military, commercial, financial and diplomatic).

In his view the EU is a unique construction which institutes solidarity among its members whilst respecting their natural diversity. It is a union which is open to everyone to join but does not attempt to cast all in the same mould. It accepts, at least on a temporary basis, the idea of a multi-speed Europe, which he reminds us was in the spirit of the Maastricht Treaty in monetary and social matters.

These, he said, should be the aims of the Union over the next ten years. The object of the 1996 IGC should be "to widen Europe by diversifying, but preserving an efficient central core". Reform of the institutions will also be on the agenda because otherwise "a certain paralysis will take hold of Europe".

D. Two-tier and hard core

These two could be taken as expressions of the same idea and they are a variation on the theme of "variable geometry": ie that because of the inevitable differences between the member states, there should be one strong group of countries that would proceed with rapid political and economic integration whilst others followed at their own, slower pace. In the "hard core", the CDU/CSU plan envisaged Germany, France, Belgium, Luxembourg and the Netherlands, with the rest, including the UK, outside.

The CDU/CSU paper states:

... the countries in the hard core must not only naturally participate in all political spheres but in addition act jointly in a more recognisably Community-orientated way than do others and introduce joint initiatives in order to develop the Union further. Belgium, Luxembourg and the Netherlands should therefore be involved more closely in Franco-German co-operation - particularly since the Netherlands has revised its previous sceptical attitude towards the essential motor function of these two countries. Co-operation among the core countries must extend above all to the new policy spheres which the Maastricht Treaty added to those in the Treaty of Rome.

...

The European core group must in principle satisfy all European Union members - above all Italy, a founding member, but also Spain and of course Great Britain - of their unreserved willingness to include them as soon as they have solved certain of their current problems and in so far as their willingness extends to committing themselves as described. The formation of a core group is not an end in itself but a means to reach agreement with each other on conflicting objectives, namely deepening and widening the Union.

The hard core idea has been rejected by Mr Major and also by the French and German Foreign Ministers, Alain Juppé and Klaus Kinkel. However, the latter are in favour of all European states moving together at the same speed whilst Britain favours a multi-track approach (see below).

As early as 1990, John Major set out his reasons for rejecting the two-tier approach. In his Mansion House speech on 18 October 1990, he expressed his belief in the British commitment to a Europe evolving together. "We do not want to see it split into two tiers with an inner core speeding ahead. This would not strengthen the EC. And it could damage

it gravely". This view was confirmed four years on in a speech in Leiden on 7 September 1994 (see below).

E. Multi-track; multi-speed

Taken literally, this road/rail metaphor suggests that while all member states would follow the same basic path towards free trade, open markets, competition etc, members would otherwise be free to continue in a more flexible way, following national policies rather than harmonised and common policies. In some ways this view resembles the Kohl approach: Europe's development would proceed on different tracks and at different speeds but within the same framework. However, there is a significant difference. The German view is tiered, with an elite group pushing ahead and a "second class" group chugging along behind, whereas the British view envisages not just two, but a number of tracks and speeds. Critics say this would mean a return to a Europe of nation states and that it would put the role of the EU institutions into doubt, weakening them considerably as law-making bodies.

John Major set out his vision of a "flexible" and "multi-layered" Europe in a speech in June 1994 to emphasise that the Government would not give in to, and would veto, moves towards centralism in Europe. It followed French and German threats that integration would go ahead with or without sceptical countries like Britain. The Prime Minister's multi-track concept has been endorsed by Douglas Hurd, who spoke of "flexible geometry" in speeches in Inverness and Warsaw in May. In an interview with the *Independent* in June, Mr Hurd said that the multi-track idea had "been part of our thinking since Maastricht, it's part of the Prime Minister's thinking now. We think it's already happening".

Michael Howard, moving the metaphors from Clapham Junction to Savile Row, said: "What we need is a made-to-measure Europe in which the institutional arrangements comfortably fit national interests, not an off-the-peg standard size Europe, ill-fitting and splitting at the seams".⁸ He went on to say that there were three "fixed points" to which all member states must subscribe: the single market, freedom of movement and labour throughout the Union, and the common institutions; but beyond these, members should be able to pick and choose the arrangements they wanted. At this point the tailoring metaphor merges into "Europe à la carte".

⁸ *Independent*, 4 June 1994.

F. The European Parliament

The EP adopted a Resolution on a multi-speed Europe⁹ in which it reaffirmed that "it would be inconceivable to exclude a priori member states which are ready and willing to pursue their efforts to achieve European integration", rejected an 'à la carte' Europe "in which each member state is entitled to dissociate itself from any Community policy" and considered that:

if a small minority of states attempted to block all progress during the 1996 Intergovernmental Conference, ways would have to be found of allowing states which want to pursue their efforts to achieve European integration to still do so.

V The CDU/CSU Bundestag Caucus Proposals

A. Summary

The CDU/CSU Bundestag caucus document was published on 1 September 1994 and attracted considerable comment and criticism, largely from France, but also from Britain and elsewhere. The document begins by defining the major causes of what it sees as a threatening trend towards the disintegration of the Union into no more than a loosely associated, 'glorified' free trade area. The causes include the overstretched institutions, the growing divergence of interests, differing perceptions on issues, a profound economic transformation and "regressive nationalism" (ie a return to the politics of the nation state), the failure of national governments and parliaments to resolve these problems and the timing of the incorporation of eastern and central European countries into the Union.

The document goes on to consider Germany's own particular history and geographical position in Europe, and the importance of closer union to create "security with Germany" rather than "security from Germany". In this context, it makes clear Germany's own special interest in integrating the Countries of central and eastern Europe (CCEE) into the Union, and calls on France to assist in this process.

It proposes a number of measures to achieve a more integrated Europe, including institutional reform, reinforcement of the core (ie the EU countries that are willing and able to press ahead towards integration, see also below), qualified intensification of Franco-German relations, action in areas of foreign and security policy and expansion to the east.

⁹EP Minutes, 28 September 1994

Its proposals for institutional reform are based on federal lines, similar to Germany's own federal structure. It suggests areas that should be tackled at the 1996 IGC (see above) and then expands on proposals for reform to improve efficiency and democratise the institutions. The Council, it states, should represent a better balance between the principle of equality between member states on the one hand and that of proportionality between the number of votes and population size on the other. (Thus, the earlier Lamers proposals are confirmed in this more recent document).

The document develops views on the need to combine coherence and consistency with flexibility. It recommends the sanctioning of a multi-speed Europe in which those countries that wanted to and were able to progress towards closer union would do so, whilst others would catch up when they could. This would counter the tendency towards a "Europe à la carte". In this context, it also questions the unanimity requirement for Treaty amendments under Article N of the Treaty which could be used to block progress to further integration by other states.

The "hard core" currently consisting of five or six countries (Germany, France, Belgium, Luxembourg and the Netherlands) should be open to any member state "in a position to meet its requirements". It would:

counter the centrifugal forces of the constantly growing Union with a strong centre, and so prevent the separate development of a south-western group susceptible to protectionism and headed to some extent by France on the one hand and a stronger north-eastern group committed to free world trade and headed to some extent by Germany.

The document points out that there is already a hard core of countries set to achieve economic and monetary union and that these countries (the five plus Denmark and Ireland) should harmonise their fiscal, economic and budgetary policies ahead of the rest of the Union and regardless of any formal decisions taken in 1997 and 1999 on the move to stage three of monetary union and the creation of a single currency.

The document places considerable emphasis on the role and importance of the Franco-German alliance, stating:

If German proposals are presented clearly and unambiguously, then France must also make an equally clear and unambiguous decision. France must refute the impression that it permits no justified doubt as to its basic desire for European unification, but continually hesitates when faced with concrete steps towards integration, since the concept of the inalienable sovereignty of the

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"nation state" still carries weight, even though that sovereignty long ago became an empty shell.

Drawing attention to the diminishing ability of individual nation states to guarantee their own security and the lack of a guarantee of US support in security disputes, the document emphasises the need for the Union to be able to take collective action in foreign and security matters, in the following areas in particular: the stabilisation of the CCEE, relations with Russia and with the Mediterranean countries, a strategic partnership with Turkey and a reorientation of transatlantic relations.

According to the document, the war in the former Yugoslavia has shown that the time has come for a common defence policy. Europe must take greater responsibility for its own defence in peace-keeping and in the non-nuclear area generally. This would entail transforming NATO into an equally balanced alliance of the US and Canada with Europe "as an entity capable of taking action". The 1996 IGC should also aim to restructure relations between the EU and the WEU under Article J(4.6) of the Treaty and relations between the WEU and NATO. The document suggests the creation of a common foreign and security planning cell with direct access to national decision-makers.

The CDU/CSU propose the acceptance of Poland, the Czech Republic, Slovakia, Hungary and Slovenia into the EU in around the year 2000, but by means of various measures to alleviate the economic burden of their membership on both the old and new member states. Changes in agricultural policy would be one of the priorities and long transition periods would be necessary for the economic adjustment of the CCEE. Other measures would include: the full implementation of the policy of open markets as set out in the Europe Agreements with the CCEE, coordinated trade policy, trade co-operation between the CCEE, participation of the CCEE in areas of the EU's foreign and security policy, "associate partnership" of the WEU as agreed in the Kirchberg Declaration, co-operation of the CCEE in areas of justice and home affairs (ie, immigration, visa and asylum policy and Europol). Envisaged along with this enhanced relationship with the CCEE would be a partnership between the EU and Russia so as to assure the latter that it is recognised as the other major political centre in Europe beside the EU.

B. Reactions to the German Proposals

1. Klaus Kinkel (German Foreign Minister), *Handelsblatt*, 22 September 1994

Herr Kinkel (FDP) is not in favour of a two-speed Europe and considers it irresponsible of Germany to be sending out such signals just at the time the Scandinavian countries are applying to join the Union and east and central European countries are hoping to join.

2. John Major (Leiden, 7 September 1994)

I have read with great interest recent contributions to the European debate by Edouard Balladur and by Wolfgang Schäuble and Karl Lamers. I welcome their emphasis on a more flexible Europe. Diversity is not a weakness to be suppressed: it is a strength to be harnessed. If we try to force all European countries into the same mould we shall end up cracking that mould. Greater flexibility is the only way in which we shall be able to build a Union rising to sixteen and ultimately to twenty or more member states. ...

The way the Union develops must be acceptable to **all** member states. It seems to me perfectly healthy for all member states to agree that some should integrate more closely or more quickly in certain areas. There's nothing novel in this. It is the principle we agreed on economic and monetary union at Maastricht. It may also happen on defence.

But the corollary is that no member state should be excluded from an area of policy in which it wants and is qualified to participate. To choose not to participate is one thing. To be prevented from doing so is quite another - and likely to lead to the sort of damaging divisions which, above all, we must avoid.

I see a real danger, in talk of a "hard core", inner and outer circles, a two-tier Europe. I recoil from ideas for a Union in which some would be more equal than others. There is not, and should never be, an exclusive hard core either of countries or of policies. The European Union involves a wide range of common policies and areas of close co-operation. No member state should lay claim to a privileged status on the basis of their participation in some of them. For nearly forty years now, the member states of the European Union ... have worked to reduce divisions in Europe. We must not see them reintroduced. That is why an essential component of the future European construction must be flexibility. We need a debate about it.

3. Sir Leon Brittan (British EU Commissioner)

Sir Leon was critical of the concept of a core group of member states, favouring flexibility and concentric circles. At the Conservative Party Conference in Bournemouth in October, he said:

The notion that you can select as of now a small group of member states which take the lead in everything, and whom the other member states must either simply follow or else aspire to join, is clearly not going to be accepted. It is noteworthy, indeed, that among serious German commentators, there has

been a good deal of sympathy both for the prime Minister's more flexible stance, and for the 'concentric circle' idea floated by the French Government.

Clearly, there will be some proposals for further integration which are acceptable to the vast majority of member states but not to all. In most such cases we should follow a simple principle, the one we followed in the debate on EMU: the majority should not try to coerce the minority into going along with them, but the minority for its part should not try to stop the majority going ahead.

A balance has to be achieved that is acceptable to all, and which permits the member states which want to intensify co-operation to do so within the EU framework, while at the same time ring-fencing it in a way that leaves it open to the other member states to join in or not as they please - whether at that time or later. Clearly, areas suitable to this sort of flexibility must be separate from the basic Community policies, which all member states have to abide by - just as EMU or defence co-operation are separate. It will never be possible to split the essential parts of the European Community, so that member states may opt in or out, say, of the common trade policy or of the competition rules.

4. Jean-Pierre Chevènement, (French Defence Minister 1988-91), *Le Monde*, 12 October 1994

In reply to a suggestion by the MEP Jean-Louis Bourlanges published in *Le Monde* on 29 September 1994 that France should "say yes to Germany", ie to the CDU/CSU proposals, the former Socialist minister outlines why he thinks the German proposals are unfavourable for France.

In his view, the document confirms unambiguously Germany's self-interest: the stabilisation of the continent centred on Germany, not in the "traditional manner" but by "a profound modification of the system of state control". He disputes the assumption that what is good for Germany is good for the rest of Europe. Furthermore, he maintains that France would simply laugh at the idea of transforming the Commission into a government responsible to the European Parliament and the Council of Ministers into a second chamber. "This idea shows ... the depth of the chasm that still separates Germany and France". Whilst not rejecting the notion of a democratic federal Europe at some time in the distant future, Chevènement does not think that there is sufficient strength of identity or solidarity for a sense of general interest which is superior to that of the individual members. He objects to the implication of the CDU/CSU proposal that in order to strengthen Franco-German co-operation, France must renounce the sovereignty of the nation state, which the CDU document claims "has for a long time been an empty shell". Comparing the federal structure of Germany with that of France which is a community of citizens and not a Volk in the German sense, he concludes that a

federation would dissolve the French political identity. The CDU/CSU proposals reflect the logic of a federal union with Germany as the "élément fédérateur", the federative or unifying element. He cites elements of the Maastricht Treaty as proof that Germany has already imposed federal methods on the Union: in the creation of a central bank which will operate in the same way as the German central bank, the Bundesbank.

Chevènement is against the reintegration of France in NATO to counter a Russian threat that no longer exists and he thinks that there are other ways of assuring stability in central and eastern Europe. "If France is interested in peace and stability in Europe and the world, it is not necessarily by trailing behind more powerful countries that she will best contribute - look at the wars in Iraq and Yugoslavia - but in preserving an independent diplomacy. In short, France is accountable for her own language and culture, and above all for a rich heritage of values". The CDU/CSU proposal for a "profound modification of the system of state control" would mean "the end of the French Republic and therefore of France". He does not believe that the nation state is nearing its end, nor that France should be "co-responsible [ie with Germany] for the creation of a new liberal order which would bring unemployment, exclusion and war". He suggests that the proposals for a core of five member states in a Union of twelve or sixteen would be a negation of political union as set out in the Maastricht Treaty.

In Chevènement's view, the CDU/CSU document reveals less the strength of Germany than the weakness of France, and this, in his opinion, is why France must say now how she envisages the revision of the Maastricht Treaty, her own interests, like those of Germany, being inseparable from those of Europe. His revision would include a number of points, including the following:

- maintaining the *acquis* - the single market and the CAP;

- pruning of Community law;

- transformation of the Commission into a general Community secretariat under the authority of the Council of Ministers;

- reduction in the law-making power and the issuing of directives fixing objectives and leaving as much as possible regarding implementation to the member states;

- abandoning the single currency in favour of a common external currency, leaving national currencies to exist internally;

- money to finance a real European growth initiative;

- preparation of a common external commercial policy;

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strengthened Franco-German co-operation in defining a common industrial and competition policy;

limitation of the powers of the European Court of Justice;

common policy towards the Mediterranean;

enlargement of the Union to the east.

On this last point regarding EU expansion to the east, M. Chevènement admits that Germany's weak strategic position must be of concern to France, and that France must go along with Germany's Ostpolitik in order to help preserve peace and stability in the region. However, he does not think that Russia should be kept outside the EU in the long term; Russia should be helped to join developed Europe as the best way of strengthening the security of east and central Europe. For this reason, he is against integrating the CCEE into NATO, which would be resented by Russia, and in favour of their inclusion in the WEU. The WEU, he adds, should come out of its present limbo and Britain and France should guarantee European security with their nuclear arms. If not, there would never be a European defence identity, only an American European defence.

5. *The European Journal*, September/October 1994, "Another German Bumper Fun Book: 'Laugh? I nearly died'", by Clive Linton:

"When the most senior politicians of the most powerful ruling parties of the most powerful nation in Europe publish a 15-page paper called Reflections on European Policy, we expect a Mercedes-Benz of a document. What we get is a clapped-out Trabant: a fifth rate mish-mash of self-serving assertions which reads at times like one of the poorer Monty Python sketches. Friends and admirers of Germany, myself included, don't know whether to laugh or cry.

The document is a wholly federalist programme for complete European political union in a federal state. That is not a surprise, and that in itself is not a reason for criticism. No, the frightening thing is that this appears to be the best case that the ruling German political parties can make for a federal Europe. If so, then we Europeans are in trouble - deep trouble."

6. Jacques Amalric, Diplomatic Editor of *Libération*, 11 October 1994

M. Amalric points out that the CDU/CSU document's case for a "hard core" in the future European structure was only dismissed by the most resolute anti-Maastricht campaigners, including the anti-German arch-Gaullists. For others, he says, this "mildly provocative" text had the merit of breaking a taboo, but it came at the wrong moment, just before the presidential campaign began.

He also draws attention to the German statement on the need to abandon the nation-state identity, a point which was taken up by several commentators (see below) and which hit a raw nerve in France. This notion, he thinks, cannot be ignored since it constitutes the biggest chasm of all in Europe, and is "fundamentally, infinitely deeper than opposition between the north of Europe and the south".

7. Maurice Duverger (political scientist and Socialist MEP, 1989-94), *Le Monde*, 26 October 1994

Duverger looks at Franco-German relations from the historical perspective. He considers the divisions among present day Gaullists views on the French identity. He asks whether they have forgotten that de Gaulle saw a close Franco-German union as a priority. De Gaulle knew that the French identity was strong enough to impose itself over the German identity in a closer union than in the time of Adenauer, and he sees little in the CDU/CSU proposals with which de Gaulle would have disagreed.

The economic and demographic weight of Germany was balanced by the nuclear power and the geographical situation of France. The latter allowed France to avoid the drift northwards, developing a southern European alliance with Spain and Italy and also with her traditional allies in the east, Poland, Romania, Serbia and Bulgaria, a counterpoise to Germany's special relations with Austria, Hungary, the Czech Republic and Slovakia.

He considers that Germany is conceding more sovereignty than France in Chancellor Kohl's 'obsession' : the EU must be strong enough to prevent any return to nazism of future generations. For Duverger, "le ton est presque pathétique" (the tone is almost moving) when the text states that "there must never again be an in-between Europe, a vacuum jeopardising stability. Without this further development of (west) European integration, Germany might be challenged or tempted, on the grounds of its own security needs, to bring about stabilisation in eastern Europe alone and in the traditional manner".

Duverger looks at two basic points that the CDU/CSU proposals make that are significant for traditional French positions, and which must please the Gaullists. One is the declaration that NATO must be transformed "into a balanced alliance of the United States and Canada with Europe as an entity capable of taking action" and the other is the need for the 1996 IGC to transform relations between the WEU and the EU under Article J.4 of the Treaty.

He predicts that it will take some time for France and Germany to reach full agreement on integration, particularly involving the entry of the CCEE into the Union, although the present tensions are sufficiently alleviated to settle most of the practical problems. There is a better understanding of institutional reforms which are indispensable for enlargement. He points to the happy combination of the French "esprit de synthèse" and the German "empirisme efficace" which will help bring about a profound transformation of the structure of the EU. There is only one obstacle to this harmony: the CDU/CSU proposal to increase the powers of the European Parliament to give it equal status with the Council of Ministers. However, Duverger concludes that "an evolution such as this is so in keeping with the nature of things that it will of necessity be imposed. Paris and Bonn will end up in agreement on its scope and timing".

8. Bernard Cassen, foreign affairs commentator, *Le Monde Diplomatique*, October 1994

Cassen is not quite as optimistic as Duverger in his assessment of the CDU/CSU proposals. Cassen sees Germany's stated need to integrate the east into the European Union as a "removal of any ambiguity as to Germany's supposed hegemonic ambitions in the east". However, he also sees the proposals as a clear expression of German interests which Germany will seek to institutionalise at the 1996 IGC. In his view, France would be relegated to the status of indispensable but nevertheless "junior" partner, pushed into a Mediterranean corner while the EU "becomes blonder" as it expands to the north and Frankfurt dictates the pace of monetary federalism.

Cassen does not see France's future in the "concentric circles" configuration favoured by Mr Balladur,¹⁰ a central homogeneous core consisting essentially of France and Germany subject to common rules in all areas of co-operation, with other countries ranged around them subject to different laws in the areas of monetary, social, military, financial or diplomatic policy. As Cassen himself notes, in spite of the Prime Minister's protestations to the contrary, this structure appears to resemble the hard core contained in the CDU/CSU proposals.

¹⁰ *Le Figaro*, 30 August 1994

9. The Crocodile Club

The Crocodile Club was an informal pro-federalist discussion group created by Altiero Spinelli, who drafted the first federalist treaty on European union in 1984 which gave rise to the considerably less federalist Single European Act. The Crocodile Club, which is now usually called the Federalist Intergroup for European Union, is made up of members from all parties in the European parliament except the European right. The so-called "Crocodile Letter", dated September/October 1994, acknowledges the CDU/CSU principle that although no member state can oblige a partner to join the hard core, neither should the use of a national veto prevent a majority from proceeding towards further integration if they so wish. The letter poses three questions on the development of the 'hard core':

- i) In 1996, will priority have to be given to unanimous agreement amongst the sixteen member states, or to the urgency of equipping the Union with a common defence, with a parliament with co-decisional powers and with a federal government with a single currency?
- ii) Should a minority of the sixteen reject this urgency, will the French method of Europe "à la carte" have to be accepted or an institutional system of variable geometry have to be studied which would enable the majority to create a core or a circle with greater monetary, military and constitutional integration at the heart of the Union?
- iii) In the last case, will the majority have to denounce the Treaty of Maastricht and work out a new global project for Union (this was the hypothesis envisaged by M. Mitterrand after the Danish 'no' to the Maastricht Treaty) or will there have to be negotiations with the minority over the conditions and the timetable for political and institutional cohabitation in the new Union with that elaborated by the Twelve (this was the plan drawn up by Spinelli in 1984)?

The letter concludes by suggesting that these questions will have to be answered "before thoughts turn to the content of the 1996 revision".¹¹

¹¹ based on report in *Agence Europe*, No 6345, 27 October 1994

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