

SCHOOLS BRIEF

My, how you've grown

Can the European Community put on both more muscle and new members? Or must it choose? There are clues in how its powers have grown so far

WHAT makes the EC's power and workload grow? They have both expanded hugely over the past 35 years, as members pooled more and more national sovereignty. A lot of Europeans think this process will go on if only because the forces eroding Europe's nation-states are too great to resist and because the Community's success will continue to feed on itself.

Others think the transfer of power to the EC is reaching a double limit. To them, the Community has already grown quite strong enough; and adding new members—the queue is long—will make collective decision-making in Brussels ever harder.

The EC is neither a tadpole nor a mathematical series, so what comes next is hard to guess. The past, though, offers clues. Up to now, power has moved to Brussels because:

- Post-war France and Germany wanted a framework for good-neighbourliness, and post-colonial

Britain, for all its doubts, wanted a place in Europe.

- Open markets and closer-knit economies looked the best solution to lagging European competitiveness.

- A steady narrowing of the range of political and economic debate among the Twelve widened the scope for common agreement in Brussels.

- One EC common policy led to another by a mechanism (or deliberate technique) of job expansion known, in English, as "spill-over" or, in French, as *engrenage*. Internal free trade, for example, was assumed to require common rules on mergers, state aids, product standards, work conditions, pollution safeguards and so on.

- European federalists, who see the EC as the United States of Europe in embryo, nourished its development however and wherever they could.

- Non-federalists supported federalist-looking schemes (a single market, a common currency) because they saw in them limited pay-offs (greater economic competitiveness, lower currency-transactions costs for business).

The EC's development falls into three periods: 1957-66 (birth and growth); 1966-85 (stagnation and renewal); and 1985-92 (the Great Leap Forward). In each of these, certain patterns repeated themselves: federalist and nationalist impulses competed with each other; the EC did best when Germany and France were close; Britain was always slow to join in; and progress was smoothest on economic matters.

At the creation

The idea of European union is not new. Victor Hugo, one of France's best known writers, and

Richard Cobden, an English free-trader, pleaded for it in Paris in 1849. Few listened. After the first world war an Austrian count, Richard Coudenhove-Kalergi, revived the idea in a book, "Paneuropa". It flopped. A second war was needed to get Europe moving.

In 1950 Robert Schuman, France's foreign minister, and Konrad Adenauer, West Germany's chancellor, dreamed up the European Coal and Steel Community as a way to link and reconcile their countries. This got under way in 1952; Italy, Belgium, Holland and Luxembourg joined in, to make it the Six. It had an executive (the High Authority) to make proposals, a council of ministers to decide on

it had a mainly consultative parliament.

Internal tariffs were to be abolished by 1970. There would be one European policy on foreign trade and on farming. European institutions would be strengthened. By 1966 the council was supposed to begin conducting certain business by a form of majority voting (though the blocking minority would still be quite small). Rather than relying on contributions from members, as most international bodies must, it was soon proposed that the EEC should have its own revenues.

France, in the throes of decolonisation and eager to shore up its national self-confidence, resisted. Its president,

... and money			
EC BUDGET bn ecust			
	Current prices	1983 prices*	1990 prices*
1983	22.99	22.99	32.21
1987	37.41	30.37	42.55
1990	46.93	33.50	46.93

*Using GNP deflator *Source: European Commission

them, an assembly to offer advice and a court of justice to settle disputes. Here was the institutional template for the European Economic Community (EEC).

The High Authority's first president was Jean Monnet, a French *haut fonctionnaire*. Like Schuman and, in certain moods, Adenauer, he was a federalist. Only strong European institutions, he believed, could tame national passions. Jacques Delors, the Frenchman who currently heads the European Commission in Brussels, is Monnet's intellectual heir.

One early federal ambition—a European defence community—collapsed before the opposition of France's parliament in 1954. That left European security to the American-led North Atlantic Treaty Organisation (NATO). Europe's federalists concentrated instead on economics.

The Europeans feared they would never catch America's soaring economy if their own ones remained closed to each other. At Messina in 1955, the Six asked Paul-Henri Spaak, Belgium's foreign minister, to report back with a plan for a common market. His committee's work culminated in the Treaty of Rome, signed in March 1957, which created the EEC. Besides commission, council and court,

General de Gaulle, had in 1960 proposed an inter-governmental model for Europe with a weak or non-existent central executive. The Benelux countries rejected this. They wanted a strong commission to counterbalance France, Germany and Italy.

But de Gaulle's counterattack against creeping supranationalism had barely begun. He blackballed Britain's application for membership (1963), threatened to block the Community's work if majority voting were used (1965), and pulled France's troops out of NATO's peacetime command (1966).

Two troubled decades

The "Luxembourg compromise" (January 1966) brought the French back into the council, which they had briefly boycotted. It was agreed that majority voting would not be used when important national interests were at stake. Individual governments, that is, still had a veto. For the next 20 years, in matters great and small, the veto or the threat of the veto hung over the work of the EC.

Despite this, much got done. Regular consultation on foreign policy, known as Political Co-operation, began (1969); import dues and a slice of national VAT collections were allocated to the

Ever more work ...

COMMISSION'S FULL-TIME EMPLOYEES†

Year	Number
1970	5,234
1990	12,887

COUNCIL OF MINISTERS†

Year	Number of meetings
1967	20
1970	41
1975	56
1980	63
1985	69
1987	81
1990	92

EC LEGISLATION†

Number of:	1970	1983	1987	1991
Regulations	249	395	458	na
Decisions	71	108	125	na
Directives	25	41	40	63

† Source: European Commission

Community as revenues (1970); Britain, Denmark and Ireland joined (1973); Community leaders began to meet at regular summits called European Councils (from 1975 on); nine of the Ten (minus Britain) linked their currencies in the European Monetary System and the first direct election was held for a now more assertive European Parliament (1979).

Greece joined (1981), followed by Spain and Portugal (1986). There was plenty of spillover as Community legislation dyed the fabric of national law. In the teeth of two recessions (1974-75 and 1979-81) and amid a long wrangle over Britain's budget contribution (1975-85), this was considerable work.

But it was not, for many Europeans, enough. Businessmen complained about Europe's flagging competitiveness. Europe's reedy voice in world affairs was felt to be out of keeping with its economic girth. The EC's workload had indeed grown, but it was inefficiently run and inadequately scrutinised (see box).

The Great Leap Forward

"One must remember the two essentials of progress in Europe: an institutional framework and deadlines." Thus Monnet. Mr Delors agreed. The very year he took over as commission president (1985), he nudged governments to accept the Single European Act. This set a deadline of December 1992 for completing the Community's single market and, to meet it, widened the scope of majority voting in the council. Dropping its middle initial, the EEC became commonly known as the European Community.

Mr Delors and other federalists argued that the 1992 campaign required a commitment to economic and monetary union (EMU), and that EMU in its turn entailed political union. This was attempted *engrenage* at its boldest. Not all economists thought a common currency would need close fiscal co-ordination. Nor did all politicians think EMU required another large shift of power to Brussels. Yet non-federalists went along because they favoured a single currency and more limited political reforms.

The 1989 revolution in Eastern Europe added urgency to reforming the Community. The new democracies looked to the

That democratic deficit

ACCOUNTABILITY in Europe has not kept up with the pooling of national sovereignty. That has left a "democratic deficit". There are broadly two views about how to close it. One looks to national parliaments. Denmark's is the extreme model: its parliament has aimed to vet all the Danish government's EC decisions. The snag is reconciling national scrutiny with majority voting in the council: if a government's objections can be overruled in the council, so by implication may a parliament's.

Others look to the European Parliament. Its powers, in many ways, are limited: it cannot raise revenue and it has no legislative initiative. But its powers are growing. The Maastricht summit was a step forward. The parliament has a fair say over the EC budget, can sack the commission and may veto some EC bills.

As for representativeness, parliament's members tend to reflect Europe-wide rather than national or local interests. On the other hand, it is the one Community body where opposition voices are heard.

EC not just to co-ordinate aid but to admit them before long as members. Federalists, afraid that "widening" would weaken the EC, strove to get their strengthening done first. The unification of Germany also encouraged loud commitments to Europe: from non-Germans worried by its new size, and from Germans keen to allay their neighbours' fears. A series of summits—Dublin (June 1990), Rome (December 1990) and Maastricht (December 1991)—channelled these pressures into a new Community treaty.

What Maastricht meant

On EMU, the treaty agreed upon at Maastricht in Holland has enough deadlines to please the ghost of Monnet: a European

Monetary Institute is to be set up in 1994 to co-ordinate monetary policies; by July 1998 this is to become the European central bank; and by January 1999 the ecu is meant to be a common European currency. EC economies whose price and budgetary behaviour are alike enough may join the system. (If most achieve the necessary convergence, the last phase could begin in January 1997.) Britain, true to form, won the right not to adopt the ecu even if its partners do.

Germany got its way on the design of a central bank independent of elected politicians. Fighting inflation will be a duty, and EC finance ministers will be able to fine governments with overlarge budget deficits lest they

try to encourage the European bank to lower interest rates.

The Maastricht treaty on political union disappointed federalists. It skilfully deflects attempts to draw power in the Community away from governments. In a mixture of metaphors rich even by the standards of the EC, the European Council is to sit astride three "pillars" known as the European Union. One pillar—that is, a Euro-institution with a certain job-description—will be the old Community with its likely new single-currency responsibilities.

The second pillar is for foreign and security policy, the third for co-operation on such topics as immigration, asylum and policing. These will both be inter-governmental bodies of the Twelve in which the commission, parliament and court are to get less say than they have in the EC. Pierre de Boissieu, the French diplomat who thought up this intricate inter-governmental scheme, is de Gaulle's grandson.

The Maastricht treaty, in other words, broadened the Twelve's range more than it strengthened the commission and the parliament. But it did increase their powers a bit. The commission may now make proposals on visas, industrial policy, health, education, culture and consumer protection. It has also won itself a statutory part, if a small one, in Euro-discussions on foreign policy and internal security.

The parliament may veto EC laws on most of these things, as well as on the single market and on environmental and research programmes. (The council may vote about many of these issues by majority.) Of the Twelve, all but Britain wanted a wider common policy on social issues. The Eleven, it was agreed, should do this with the help of the Community's institutions in ways that would not be legally binding on Britain.

One last deadline should not be overlooked. It is for the next big treaty revision, in 1996. As it looms, federalists will argue that the Community proper should take over European co-ordination of foreign policy and internal-security questions. The struggle to define Europe will go on. The European Union may not be a federal government, but it is a long way from being simply a concert of nations.

