

EC Integration and EC-ROC Relations

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PREFACE

Since the mid-1980's, European integration has developed and crystallized into a tangible reality. With the signing of the Single European Act (SEA), in February 1986, an internal market of the twelve member states of the European Community (EC) was established by 1993. This treaty created an "internal market" that allowed for the free movements of goods, persons, capital and services across the continent. Later, the Treaty on European Union (Maastricht Treaty) was signed in February 1992. According to this treaty, a European Union (EU) was founded on the EC in 1993, and an "Economic and Monetary Union" will be established by January of 1999. European integration entered a new era with this treaty. Consolidation will have a great influence upon the world, as well as European relations with Taiwan (Republic of China).

Relations between Taiwan and EC member states have been distant over the past 40 years. When diplomatic relations ended two decades ago, the EC could only maintain relations with Taiwan under special conditions. Despite diplomatic difficulties, trade relations emerged as the main link. Today the EC is the third most important market for Taiwan.

On April 8-9, 1994, the Institute of European and American Studies, Academia Sinica, conducted a symposium in Taipei to discuss the development of European integration and its influence on relations with Taiwan. Eleven of the fifteen papers presented were selected for publication. However, Professor Michael Kreile's paper, "From Internal Market to Political Union," was not presented at the conference due to technical problems, we nonetheless included his perspective as a European scholar to enhance a balanced opinion.

We would like to extend our appreciation to Dr. Jia-you Sheu, Director of the Institute, Dr. Cheng-yi Lin, Deputy Director of the Institute, and Dr. Cing-kae Chiao, Head of the Section of Legal Studies and Political Science of the Institute, for their full support during the preparation of the conference and this monograph. In addition, we would like to thank our colleagues, Dr. John K.C. Wang, Dr. Thomas C.P. Peng, Dr. Lee-joy Cheng, Dr. Ming-chiang Lin, Ms. Wen-yen Chang and Ms. Su-hsin Chang for organizing the symposium. Special thanks to Dr. Jaw-ling Joanne Chang, Dr. Der-chin Horng, Ms. Hsiu-ching Lo, Ms. Chin-hsiang Huang, Ms. Yi-ju Wang, Ms. Chen-yu Hsieh and Ms. Tien-sheng Wang. Without their kind help, this book would not be possible.

Cen-chu Shen
Yann-huei Song

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THE STATE OF THE EUROPEAN UNION*

Dusan Sidjanski
University of Geneva

THE GENERAL ARCHITECTURE AND OBJECTIVES OF THE UNION

Like the European Union Project put forward by the European Parliament (EP) in 1984, the Treaty establishing a European Union (EU) synthesises various elements - treaties, instruments, Community experience - in a single institutional framework that is to ensure the coherence and continuity of measures taken in pursuit of the attainment of the Union's objectives. Brought together in a single 'treaty-constitution', these various instruments create a division of powers and a variety of decision-making processes. The allocation of powers in the respective preserves of the Three European Communities allows the active power of the Commission-Council tandem acting in cooperation with the EP. Following in the footsteps of the Single European Act (SEA) of 1987 the 1992 European Union Treaty extends recourse to qualified majorities and strengthens the role of the EP. In the economic and social sphere it seeks to make the functioning of the Community both more effective and more democratic. On the other hand, it highlights the marked cleavage between an economic sector dominated by the Community and a political sector firmly in intergovernmental hands. In fact where foreign policy and common security is concerned - and here lies the major innovation of the Union - the European Council and the Council of Ministers have a leading role while the Commission is reduced to a more discreet background position although its President is a member of the European Council.

* *L'Avenir fédéraliste de l'Europe*. La Communauté européenne, des origines au Traité de Maastricht, Paris, PUF, 1992-93.

In the political sphere the Commission has no exclusive right of initiative to ensure that Council decisions in the framework of the Economic Community are based on its own ideas. It is however fully associated with the work of the presidency and the Council in the domains of foreign policy and common security. The same is true of justice and internal affairs. In both of these areas the Commission has the power to submit proposals to the Council on the same basis as each member state. In this context the term 'proposal' clearly has a general significance distinguishing it from the juridical sense attributed to it by the Treaty of Rome and the European Community (EC) section of the Maastricht Treaty. Here, there is a right of initiative that the Commission did not have before in the context of European Political Cooperation. Without having power comparable to those it possessed in the EC the Commission will in the future merit the role it creates for itself largely by its competence, capacities and dynamism and the personality of its President and members.

So the architecture of the EU is based on two pillars: the EC and the Political Union. As far as the Community goes, the European Union Treaty deepens and extends its action. The Treaty takes a decisive step towards a single currency and a European Central Bank (ECB). It strengthens existing policies in the fields of the environment, research and training and extends them to other sectors like those of health, TransEuropean networks, consumer protection, culture and education. The Community character of these policies has been confirmed in several cases by increased recourse to qualified majority voting. Moreover the decision-making process as it has developed in the framework of the Treaty of Rome and the SEA has made some progress with respect to the involvement of the EP. As well as maintaining its original consultative powers the Parliament is now more closely associated with the exercise of the legislative function of the Council under the form of 'cooperation' according to the SEA and 'co-decision' in the Community domain of the EU. Moreover, in its new structure the Community expects to seek the consent of Parliament more frequently.

On the other hand, procedures involving intergovernmental cooperation, exceptional in the Community context, constitute the rule in the domains covered by the Political Union. Although it has adopted a *single decision-making centre* - as previously suggested by the Tindemans Report and the European Parliament's draft European Union Treaty - the Maastricht Treaty is endowed with different powers depending on

whether they relate to Community affairs or foreign and domestic issues. The result is a distinction between on the one hand Community decision-making processes in the spheres of the internal market and the policies that go with it, and economic and monetary union, and on the other hand, decision-making processes in the area of foreign policy, common security, and internal policy.

While retaining the distinction between Community spheres and domains of political cooperation the Maastricht Treaty essentially confirms that the Union has a 'federal vocation'. Even though the term itself was omitted at the request of the UK, the truth is that the general orientation of the EU is towards federalism. Eliminated at the formal level it nonetheless finds confirmation in the substance and spirit of the Maastricht Treaty. Flawed and vulnerable though it be, insofar as it enshrines this federalist tendency, the new edifice of the EU constitutes and unprecedented breakthrough. Only experience and the behaviour of political, Community and national leaders can confirm or refute this view of mine, which is based on the signs of a new Community dynamism, with the ratification of the Maastricht Treaty triggering furious debates in Germany and France, while similar debates preceded the 'no' vote in Denmark; all this provides concrete proof of the political significance of this new European Act with its provision for joint exercise of important aspects of national sovereignties.

The common provisions comprise principles that define objectives and guide and orient the actions of common institutions while also confirming the mission and mode of organisation of the European Council. Overall these provisions define the objectives of the EU, which 'mark a new stage in the process of creating an ever-closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizen'. This first article puts the emphasis on the dynamic nature of the concept of a union in contrast to the static concept of unity. In fact a union involves a process of association, a bringing together of peoples and men, i.e. political action *par excellence* according to Bertrand de Jouvenel. Moreover the reference to the beneficiaries of the Union is more than a little reminiscent of one of Jean Monnet's key ideas. 'We are not uniting states but men'. In this spirit the introductory article reflects the concern of member governments to reduce the distance between citizens and decision-making centres, a distance that has increased with the establishment of a European-level power. In seeking to bring citizens closer to decision-making structures it is intended to

create spaces for participation and consequently to implement principles of subsidiarity and participatory democracy. Basically there is a need to avoid an inappropriate centralization and allow for effective participation, and to preserve decentralization and the autonomy of decision-making centres at various levels. Thus the EU is gradually being constructed on the basis of two fundamental federalist principles, the principle of the autonomy of member units and the principle of their participation in joint decision-making. In its current phase the EU is of course more exposed to the centrifugal forces of national powers than to the danger of an excessive concentration of Community power. The emerging Community power cannot in reality be compared with the powers of the Helvetic Confederation or with federal powers in the USA. However it is advisable to plan the European edifice on federalist lines right from the start while it is still embryonic and malleable.

THE DEEPENING OF ECONOMIC INTEGRATION

1. The single currency and economic convergence

The Maastricht Treaty made qualitative progress by channelling the energies of the Community primarily into the establishment of an Economic and Monetary Union (EMU) and the strengthening of economic and social cohesion. In line with the dynamic of the internal market and the policies that go with it, this double innovation forms the central axis of the integration process. It is generally agreed that the preservation of equilibrium between member units within the Union constitutes an essential element in any federation. In the medium- or long-term, cohesion in a federation is vulnerable to the threat of domination by one or some of its members or to tensions that may arise from a significant disparity between the economies of member states or between developments in different regions. Out of a concern to reduce existing disparities in the Community, the signatory governments sought to reinforce socio-economic solidarity within the Union. In this way the Community aims to reduce disparities between regions and promote cohesion between member states. It simultaneously works for integration and seeks a better economic and social equilibrium.

At the same time the Maastricht Treaty triggered a (theoretically irresistible) move towards a common currency, a move that affects one of the essential attributes of national sovereignty: for currency is a

symbol of the sovereign's exclusive power. Made by the European Council and the governments at the request of financial interests, this commitment is an illustration of the chain reaction effect which - whether little by little or by qualitative leaps - moves the Community forward. The binding deadlines laid down by the Maastricht Treaty will in turn be a stimulus to the activities of economic operators, bankers and financiers, who will formulate their strategies and responses in terms of this goal. It is a commitment that involves the creation of a ECB and a single currency, the ECU, and opens a new phase in European integration with the transfer of member states' monetary sovereignties to the Community. The Monetary Union will be administered by a European System of Central Banks (ESCB) with an independent ECB as its core. This phase will necessitate a convergence of national economic policies and respect for a common budgetary discipline. This sets of objectives, rules and institutions provide concrete proof that the EU has a federal vocation. In fact, the single currency incarnates the regalian power that is the attribute of the federal state.

The path to an EMU is a long and winding one: outlined in the 'Barre Memorandum' of 1968 under the form of a coordination of economic policies combined with monetary cooperation, the establishment of an EMU was the object of the 'Werner Report' two years later. The Council had made plans to set this up but their timetable was disrupted by the international monetary crisis. The resulting delay in the implementation of the Council decision is a brutal illustration of the connections that in this domain (undergoing rapid globalization) create a close interdependence between endogenous factors and exogenous forces; their interaction governs the integration process. In order to avoid a general paralysis the less ambitious 'by pass' system was set up in 1972 under the form of the 'monetary snake'. Despite the negative effects of stagnation in the world economy and also in the integration process, the European Monetary System (EMS) became a reality in 1979: it inaugurated a fresh stage based on three mechanisms - exchange rates, credit and a monetary unit, the ECU. The value of the ECU, (the basket of currencies), represents a figure obtained by adding together a fixed quantity of each Community currency, calculated as a function of the economic importance of the country in question. Since September 21, 1989 the currencies of the twelve member states have represented the following percentages of the ECU: DM = 30.1%, FF = 19%, UKL = 13%, LIT = 10.15%, HFL = 9.40%, B/LFR = 7.90%, PTA =

5.30%, DKR = 2.45%, IRL = 1.10%, Esc = 0.80%, DRA = 0.80%. Although the EMS has not yet succeeded in creating a (EMF), it has prepared the way for an EMU. This whole fluctuating pattern of development is typical - in its progress, holdups, or incomplete results - of the integration process, which could fairly be represented in the form of ascending spiral.

At present the establishment of the EMU is programmed to take place over three phases - the first phase having begun in July 1990 in conformity with a decision of the European Council in Madrid. This first phase involves the participation of all member states in the Exchange Rate Mechanism (ERM) - as is currently the case with the exception of Greece liberalisation of capital and multilateral supervision of national economic policies. The second phase is to begin on January 1, 1994 with the creation of the European Monetary Institute (EMI) and with a range of measures relating to the independence of Central Banks, the definitive composition of the ECU basket, convergence of economic policies and reduction of public debt and deficits. The EMI is directed by a Council made up of a President chosen unanimously by the heads of state or of government (on the recommendation of the Committee of Governors and after consultation with the EP and the Council) and of the governors of the Central Banks, one of whom takes on the vice-presidency. The fact that the President is chosen by the high national authorities underlines the importance accorded to the Council of the EMI.

The third phase will begin at the earliest on January 1, 1997 and at the latest on January 1, 1999. The value of the ECU is to be fixed irrevocably from the start of this phase. The decision concerning the transition to the third phase is a matter for the Council, assembled at the level of heads of state or of government. Giving its rulings by qualified majority on the basis of EMI and Commission reports, EP opinions and recommendations from the Council of Ministers, it must decide whether the majority of member states are fulfilling the necessary conditions for the adoption of a single currency. This fundamental decision creating a single currency has three essential features. In the first place it is based on the reports and recommendations of the EMI, the Commission and the Council, this last giving its rulings by qualified majority. These are reports and recommendations bearing on the prevailing degree of price stability, on evidence of respect for normal margins of fluctuation within the EMS, and on the durability of economic convergence and budgetary discipline aimed at eliminating excessive public deficits. In the second

place, in the course of this process the Council, assembled both at ministerial level and at the level of heads of state and government, gives rulings by qualified majorities. In this connection it is worth noting that the treaty does not refer to the European Council but to the Council assembled at the level of heads of state and government, which could conceivably be a way of ensuring that the President of the Commission, who is also a member of the European Council, will not take part in this decision. The distinction might also be attributed to the fact that in this case the Council, assembled at the level of the most senior national leaders, takes its decisions by qualified majority according to a precise procedure peculiar to the Council. One consequence of this distinction is that while the Council of the Community is formed of representatives of member states at the ministerial level, there is nothing to stop the Council from assembling at the highest level in the future and taking decisions by qualified majority. In the third place, the treaty follows the Monnet method in setting precise deadlines. But in addition it organises the Monetary Union within the framework of the ESBC, a decentralised system where powers are divided between the ECB and the National Central Banks. Thus while the ECB alone is entitled to authorise the emission of currency in the Community it shares with the National Central Banks the power to issue banknotes. Moreover the governors of the Central Banks sit on the Council of Governors of the ECB alongside members of its directorate. As in the case of the EMI, the President and members of the directorate are nominated by the governments of the member states assembled at the level of heads of state or government on the recommendation of the Council and after consultation with the EP and the Council of Governors of the ECB.

The criteria fixed for this test for the transition to a single currency are five in number: price stability, the state of public finances (budgetary deficit and public debt), participation in the narrow bands of the EMS (at least two years), and long term interest rates. These criteria impose the conditions for a Community discipline:

1. For at least a year the inflation rate must not have exceeded by more than 1.5% that of the three member states with the best showing in the area of price stability. For 1991 the three benchmark countries were: Denmark (2.3%), Luxembourg (2.6%), and Belgium (2.8%). The highest inflation rate currently acceptable would therefore

be around 4%. This first criterion of relative significance is adjusted according to the performance of the three member states with the greatest price stability.

2. The public deficit must not exceed 3% of GNP unless the circumstances are exceptional.

These requirements establish a precise connection between economic convergence and monetary stability. To a certain extent this represents the German thesis on the necessity for convergent policies prior to the establishment of a single currency. However the treaty does not make this a precondition even though it recognises that a strong currency must be based on economic foundations that guarantee stability of purchasing power and make it possible to encourage a harmonious and balanced development of the overall Community. Once again the treaty ultimately reflects diverse conceptions and manages in particular to reconcile French and German viewpoints. In addition it defines the general objectives and entrusts their implementation to institutions. Thus the Council, making decisions by qualified majority on the recommendation of the Commission, is to draw up a draft proposal for the main lines of the economic policies of member states. In a later phase the Council will adopt by a qualified majority and on the basis of the conclusion of the European Council a recommendation settling these main lines. Then with the help of the Commission it will oversee economic developments and proceed regularly to an overall assessment. This multilateral oversight will give rise to recommendations that are not binding of themselves but that acquire their full significance in the context of the Monetary Union and the disciplines that imposes. In turn the common monetary policy governs the convergence of economic policies of member states. This is an example of the indispensability of coherence and linkage between economic policies and monetary policy within the Community.

The creation of a ECB within the ESCB and the adoption of a single currency constitute a decisive step towards a federal Community. This step involves an indispensable minimum of centralization far short of the traditional practice of federal states like Switzerland and Germany. This is a fundamental decision if ever there was one, leading to the abandonment of national currencies. The Community has made its choice between the Deutsch-mark and the ECU, a choice that will prevent the Deutsch-mark from becoming the sole dominant currency in Europe. It is hardly surprising then if German public opinion is in the throes of a

vigorous debate about the abandonment of the Deutsch-mark. As for the UK, it has obtained an exemption that should muffle the shockwaves that will be produced by the disappearance of the symbol of British greatness. The adoption of a single currency is a concrete test of the will of member states to push on with the construction of the EU.

A study of this complex text raises several questions. In fact only two members, France and Luxembourg, can meet the criteria imposed immediately. Germany and Denmark are among those admissible. But the German public deficit is just over 3% of GDP as a result of reunification while the Danish public debt, though well above 60% of GDP, is gradually drawing closer to the agreed threshold. The UK, Holland and Belgium are another group of serious candidates. The task of the two Benelux countries is to reduce their debt and public deficit, while the UK needs to bring down its inflation rate and the margins of fluctuation of its exchange rates from 6% to 2.5%. Ireland and possibly Spain might be able to join the seven others provided they accept a dash of economic stringency. But Portugal, Italy and Greece are so behind that they seem unlikely to make the grade in the foreseeable future.

There has been scepticism in certain quarters but at the same time others have met this with more optimistic arguments. The Community's past experience has shown that common objectives have progressively helped to impose a salutary discipline on member states in the face of repeated delays. In this regard the battle against inflation in France has been exemplary and bodes well for the efforts governments will have to put in to create the conditions required for the establishment of the Monetary Union. These convergent efforts will constitute a tangible step forward in themselves.

The EMS suffered various crisis during 1992 and 1993. In September 1992, the Italian Lira and British Sterling had to leave the ERM mechanism. On August 2, 1993, after a serious monetary tension and a speculative movement against the French Franc in particular, the Council decided to widen the margins of fluctuation of exchange rates from 2.5% to 15%. But the Council did not change the transition period to the third stage of EMU.

If we accept that seven member states satisfy the criteria for transition by 1997 or that the transition takes place automatically in 1999, it remains nonetheless true that contrary to what is believed by many a monetary Europe is being created at two speeds on the pattern of the EMS. The EMS is in fact a mechanism outside the Community

system that was initially limited but that has proved itself possessed of a magnetic ability to draw all the members of the Community into it one by one - with the exception of Portugal and Greece. This magnetic power of attraction is the basis for hopes of a Monetary Union, which also rest on the active support of entrepreneurs and promoters of a Monetary Union. This fundamental decision gambles on the likelihood of a chain reaction effect and on positive responses from financial markets as well as on businesses and especially small and medium-sized businesses which should be among the chief beneficiaries of the establishment of invariable exchange rates. Finally public opinion supports a Monetary Union, with 55% in favour of the ECB and 54% in favour of the ECU - attitudes varying considerably from country to country as usual. According to an October 1991 poll nine countries show a majority in favour of the ECB, with Luxembourg (a financial haven) the exception (48% for and 28% against) together with Denmark (47% for and 40% against). Only UK opinion comes out as solidly opposed (41% against and 39% in favour). With regard to the ECU attitudes divide differently in the camp of the Lukewarm, Germany takes the place of Ireland with 45% voting in favour but 32% against. This is something to be followed closely, given the pivotal role of the German economy and the Deutschmark in the Community and their influence over the nations of Central and Eastern Europe. On the other hand there are few surprises with the UK and Denmark which show majorities against, except that British opinion shows itself unexpectedly indecisive, with 40% for and 42% against while in Denmark strong opposition is marked by a vote of 54% against and only 35% in favour. These attitudes are suggestive of a depth of hostility in Denmark. Furthermore they explain certain reserves expressed by the British government on the eve of the April 1992 elections. Once reelected and therefore having more freedom to manoeuvre the Conservative government could afford to become more actively committed alongside its European partners.

In July 1992 in the face of future obligations entailed by the Maastricht Treaty the German Central Bank raised its interest rate unilaterally. This decision provoked widespread reactions from governments and financial centres. There was a domino effect in the Stock Markets, which fell in anticipation of a delay in the recovery of Western economies. In addition while the Lombard rate for refinancing of commercial banks at the German Central Bank did not change, this interest rate rise did affect the dollar, which fell to an unprecedented

low. Thus a decision whose purpose had been to put the brake on inflation in Germany provoked a chain reaction on account of the interdependence of the great markets. At the same time it demonstrated the international responsibility of monetary authorities and raised two questions relative to the future of the EMU: what is the significance of the independence of the German Central Bank which has served as a model in this respect for the ECB? This unilateral decision, contrary to the spirit of the EMU, seems a bad omen for Community discipline.

Surprisingly, the autonomous decision by the German Central Bank was not unreservedly approved by the German government. It gave concrete proof of the meaning of the institution's independence from political power. Does that mean that in the future the ECB could be allowed a similar margin of liberty within the Community? That is an open question. However it is now clear that the action of the ECB comes within the general guidelines defined by the European Council. It is within those margins that the ECB will be able to assert its independent authority.

This unilateral decision is definitely not in line with the obligations set out in the Maastricht Treaty which, it should be remembered, was not in force at the moment the decision was taken. It provides proof by default of the need for the kind of Community discipline prescribed by the Maastricht Treaty. In fact within the framework of the Union such decisions can no longer be adopted except in consultation or agreement with other Community members. So national interest will now have to be in harmony with Community interest.

2. Cohesion and regional policies

In a range of areas the Maastricht Treaty extends and deepens the work done since the Treaty of Rome and the SEA while in other sectors it introduces innovations. In the sphere of common commercial policy it picks up on the traditional way of doing things while generalising recourse to qualified majorities. In the domain of research and technological development the Union improves functional aspects by setting up a recourse to Article 189B and giving the Council the task of fixing rules for the participation of businesses, research centres and Universities together with rules applicable to the diffusion of research results. For its part the Commission is empowered to take initiatives to encourage and ensure coordination and coherence in the actions of the Community and

its member states. In the same perspective Community policy has the objective of strengthening the scientific and technological bases of Community industry and increasing its international competitiveness. This is a deliberate direct reference to Japanese and American competition. The new section on industry is part of the extension of this research effort and aims to create a favourable environment for the development of the competitive capacity of Community industry. Community actions are aimed at facilitating adaptation to structural changes, encouraging development initiatives in particular for small and medium-sized companies while also favouring cooperation between firms and a better utilisation of research and technological innovations. In addition to the coordination of research and the pooling of resources the aim set by the Community is to shorten the periods that elapse between innovation and industrial application, for such periods are longer in Europe than in the USA and Japan. Other complementary and supporting actions are planned in several domains such as professional training, education and culture. In the area of the environment, Community action is strengthened and extended by the Community's contribution to the protection of public health and consumer protection. These various Community actions fit into the overall policies of the Community whose mission is to supplement, support and coordinate the policies of member states.

From the point of view of federalism two axes of Community policy merit a particular consideration: regional policy and the new dimension of social policy and social solidarity. In these two domains the Union Treaty has the objective of completing the work undertaken by Community institutions and rubber-stamped by the SEA. 'Europe of the Regions' - an idea launched by Denis de Rougemont in the sixties - is gradually being written into facts and institutions. Regional policy became a reality in the seventies before being rubber-stamped by the SEA [322] in 1987. In the Maastricht Treaty a whole range of common policies is directed towards a better regional equilibrium and the development of the poorest regions. This evolution of regional policy is based on the actions of structural Funds and on the dynamic of the regions in member states and in the Community. The regions are asserting themselves, sometimes asserting the principle of subsidiarity without knowing it, by strengthening their infra- and trans-state activities. The development of the regions and regional diversities is producing new coordination networks between regions within the Community as well as inspiring the emergence of a range of exchange and collaboration agreements between

regions in different countries.

Regional policy and the attainment of economic and social cohesion are based on actions by the Community itself through Funds having a structural purpose: the European Agricultural Guidance and Guarantee Fund (EAGGF). The European Social Fund, the European Regional Development Fund (ERDF), the European Investment Bank and other financial instruments. Structural Funds function on the basis of new principles: priority to the least favoured regions, programming, partnership and additionality. While the SEA chiefly aimed at neutralizing or compensating for negative effects, the Maastricht Treaty has the objective of encouraging the regions to develop closer links, ensuring cohesion while supporting efforts towards a convergence of economic policies.

Disparities between countries go with disparities between regions within each country as in the Community as a whole. The persistence and even increase of these disequilibria could be a source of grave difficulties and a factor of political and economic instability within the Community. Now to the extent that the Community draws nearer to an EMU, disparities will tend to consolidate or even increase. In order to palliate these foreseeable consequences, the Maastricht Treaty is intensifying preventive action and Community effort on behalf of the least favoured regions and countries. Thus, in accord with the guidelines of the European Council the main effort of the Commission will bear on the undeveloped regions, including the five new German states.¹

To this end the proposal is to increase resources by two-thirds, compared with an increase of 50% in the funds made available for other objectives of structural policies. Overall the credits of Funds for structural purposes for the period 1984-1993 amount to 60 billion ECU of which 63% are reserved for backward regions, 12% for regions in decline and the same amount for retraining and youth employment, with 6.2% going for rural development and agricultural adjustments.² The new strategy is based on the principle of the additionality of various resources and interventions; this principle has the purpose of creating synergies between mutually supportive policies. Moreover it introduces more flexibility and lightens decision-making and programming procedures: it strengthens the partnership between Commission, states and

¹ Commission, *De l'Acte unique à l'après Maastricht*, op. cit., *Les moyens de nos ambitions*, Brussels, February 11, 1992, p. 13.

² Commission, *De l'Acte unique à l'après Maastricht*, op. cit.

regions and clarifies responsibilities as a function of the principle of subsidiarity. Thus in all sorts of ways, by seeking to create the conditions for a better balance between various levels of authority, the Community is putting into practice the principles of federalism.

Proposed by Spain, the Cohesion Fund in Favour of countries with a GNP per inhabitant lower than 90% of the Community average (Spain, Greece, Ireland, Portugal) will be for those member states what structural policies are for the regions. In fact, the Cohesion Fund will from 1994 on be supporting programmes for economic convergence put forward by these least favoured states. The actions of the various instruments for support and encouragement which are possessed by the Community are to form part of the main lines of economic policy defined by the European Council. Thus the multiple, diversified and decentralised actions will be orchestrated according to general themes proposed by the European Council.

This 'pre-established harmony' will not be exempt from tensions that may come as much from the pressure of competition within or without as from the effects of research and high technology. For instance the opening of the Common Market to products from Eastern Europe or the consequences of the Uruguay Round will mainly affect the least developed countries and regions in the Community. In fact the import requirements for agricultural products, steel goods and textiles can often be met by products from backward regions situated in the poorest countries in the Community.

In turn the development of new technologies may constitute a factor in regional disequilibrium. Competition from the USA and Japan has of course produced a range of initiatives both on the national and on the Community levels. But advanced technologies are developing mainly in the ten great 'islands of innovation' in Northern Europe where, according to a study by Le Fast in 1991, 80% of science-based innovations are concentrated. Already favoured by their wealth and their environment, these regions are equally favoured by the rush for technological development by reason of the advantages they offer in terms of university know-how, highly-qualified manpower and capital. This concentration in the advanced industrial centres runs counter to regional development. Hence the necessity for reconciling these two antagonistic currents by taking measures to ensure both technological capacity and the regional allocation of spinoffs.

In this context results will largely be dependent on the decentral-

ization of centres for research and advanced scientific training and also of communications networks. Progress in advanced technologies in the area of the diffusion of knowledge, communication and microprocessors is promising for the development of peripheral regions. Thus paradoxically 'Europe of the regions' seems likely to have an impressive future thanks to the tools provided by high technology.

So as to ensure the necessary coherence of Community actions, the missions, priority objectives, and organization of this Fund will be defined by the Council on the basis of unanimous decisions on proposals from the Commission, after the assent of EP has been received and after consultation with the Economic and Social Committee and the Committee of the Regions as set up by the Treaty on the EU. Moreover member states have committed themselves to pursuing and coordinating their economic policies with an eye to encouraging harmonious development and reducing regional disparities. Finally the new Cohesion Fund aims to supplement Community action by helping to finance especially projects in the area of environment and in the domain of TransEuropean networks.

Europe of the regions is gradually becoming a reality within the EU while at the same time posing the problem of the regions' involvement in the drawing up and implementation of Community programmes and decisions. The judicious application of the principle of subsidiarity would imply a better division of tasks between the three levels of action - Community, national and regional. But this application is often slowed down by states jealous of their prerogatives which, like Italy and Spain - not forgetting France and the UK - are struggling to preserve their role as essential channels of communication in hopes of maintaining a grip on the activities of their regions. In practice direct contacts between Community institutions and regional collectivities are tending to intensify especially at the level of execution, while (with a few exceptions) the participation of the regions in the working out of Community decisions remains marginal and consultative.

Naturally, it is a federal member state that is leading the way in this area. In fact the German states have long been present at various stages in the decision-making process through the presence of their 'observers' on official delegations and in various working groups. At the time of the ratification of the SEA the states' involvement at the national level was strengthened. Moreover, they were not slow to establish representation in Brussels and thus draw close to the centre of Community decision-

making. Their example was followed by the regions of several member countries. At the present time, Jose de Luis de Castro has counted ten state information and representation bureaux in Brussels including a Hanseatic Bureau shared between three states (Hamburg, Schleswig-Holstein, and Lower Saxony).³

By virtue of their more limited autonomous capacity the bureaux representing regions of other member countries have more modest functions concentrating principally on development issues. For example the French regions have ten bureaux in Brussels, three of which are shared by several regions: the Bureau of the Great East (Burgundy, Champagne-Ardenne, Lorraine), the Great South Association (Aquitaine, Languedoc-Roussillon, Midi-Pyrénées and Provence-Côte d'Azur) and Eurodom representing the overseas territories. The same desire for close contact with Community centres of decision-making that formulate and implement regional aid policies is behind the establishment of ten bureaux by UK regions. The eight representations of Spanish regions have their own particular forms whose true objectives are concealed because of restrictive legal conditions.

According to Jose Luis de Castro they appear in turn as development agencies (Andalucia, Murcia, Madrid), as limited companies (Canary Islands, Basque Country) or under the form of mixed institutions made up of regional authorities and employers (Catalan Pro Europa Employers, Galicia-Europe Foundation, Office of the Valencian Community). Relations between Catalonia, Madrid, and Brussels are a good illustration of the Region-State-Community problem in a system in which the external autonomy of the regions still remains under the jealous control of the state.⁴ In spite of their utilitarian functions centred on aid and development programmes, Development Agencies and information bureaux representing French, English or Spanish regions bear the prophetic marks of multiple communications networks gradually forming within the EU.

The states and their representatives at the Bundesrat have put

³ Jose-Luis de Castro, *La Emergente participación de las regiones en el proceso de construcción de la unión europea. Fundamento para la formación de una Europa de los ciudadanos*. Thesis in preparation for the Department of Political Science at the Basque Country University, Bilbao, 1992, ch. III.

⁴ D. Sidjanski and U. Ayberk (ed.), *L'Europe du Sud dans la Communauté européenne. Analyse comparative des groupes d'intérêt et de leur insertion dans le réseau communautaires*, Coll. IUEE, Paris, PUF, 1990.

forward the idea of setting up a regional chamber with real participation rights. Such initiatives express the will of the states to seek Community solutions making it possible to compensate for a possible reduction of their powers in favour of the federal executive, thanks to their direct participation on the Community level. The idea of a Senate of the Regions suggested by Denis de Rougemont and the proposals put forward by the Assembly of European Regions are along the same lines and are an incentive to institutionalise regional representation within the Community. It is true that the Creation of a Committee of the Regions only partially fulfills the aspirations of supporters of a Europe of the regions and the representatives of the German states. But this innovation goes beyond what the members of the Commission dared to hope for. This case is an example of negotiation by synergy within the Community, with results that often fall short of ambitious plans but that still exceed the expectations of realists.

The *Committee of the Regions* is based on the model of the Economic and Social Committee. Its 189 members are chosen according to the same procedure and are allocated on the same basis as the members of the Economic and Social Committee. The two Committees have the same consultative powers and organizational structure. Similar but complementary, they represent two dimensions of Community activity and reality, reflecting sectoral and regional diversity. In spite of its limited functions the Committee of the Regions institutionalises consultation with the regions within the Union. Generalized consultation with the Economic and Social Committee is sometimes supplemented by a parallel consultation with the Committee of the Regions: this two-dimensional consultation is provided for in the spheres of education, public health, TransEuropean networks and of course on the basis of economic and social cohesion, regional policy too (Article 130A, A; C; D; E). In the sphere of culture however the Committee of the Regions is the only body that has to be consulted. On the other hand it is absent in certain cases where its presence would seem to be essential: it is not consulted in the course of the drawing up of programme-frameworks lasting several years or specific research and technological development programmes, nor in the area of industrial or social policy. But its absence is most surprising in environment policy, especially since Article 130R stresses 'the diversity of conditions in the different regions of the Community' and the necessity for a balanced development of the regions. The revision of the Maastricht Treaty will make it possible to fill up these lacunae and

strengthen the contribution of the regions where necessary. Moreover, whatever the value of texts and institutions, the intention behind them is only to provide a framework and create an environment. It is up to the regions to set goals. Often present on an individual basis in Brussels, they have an opportunity to contribute together to the development of a EU with a double federal and regional vocation.

The Committee of the Regions is certainly a long way from being a Senate of the Regions. It has in fact to be recognised that even with the best will in the world it would have been difficult to create a second chamber made up of regions alongside the EP, given the huge disparity between member countries on the level of the statutes, responsibilities and autonomy of their regions. All the same this first opening is very promising for the future role of regions in the European Federation. Especially in that the regions will be able to be represented both by elected persons and by professional categories. Moreover the regional policy of the Community, strengthened by the activity of the Regional Committee, will not fail to stimulate in its turn the flowering and the development of regions in member countries. Thus by reflecting cultural, economic and geographical diversity, the regions help to shape a federal Union within which the personalities of nations and regions can assert themselves. In addition the regions, spaces for civic participation, make it possible to reduce the distance between citizens and Community institutions. It is in just such a diverse Europe, complex and yet united, that persons and their base communities will find the opportunity to blossom while each bringing his own contribution to the construction of a united Europe.

The great majority of Community opinion considers it essential that there be a Community policy for the most deprived regions. As to the priority objectives for regional policy, 44% think that they must be given more equal opportunities, 38% that their living standards need to be raised, and 12% that their competitiveness should be improved. Where their identity is concerned, citizens of the Community show an attachment to several communities - as opinion polls show. Overall they identify to a high degree with their country (88%), their region (87%) and their locality, town or village (85%). As to their attachments to the EC and Europe as a whole, these are much weaker and citizens seem very divided on this point; 48% say they feel an attachment to the Community while 46% do not. This feeling towards the Community is highly variable from country to country. As might be expected it is weak in the UK (35%) but also in Ireland, which is a symptom of that

country's geographical and psychological detachment. The surprises on the other hand are Denmark and Holland. The Danes show the same attachment as the Germans (42%). By contrast the Dutch, despite their long history of devotion to European unity, show very little attachment to the Community (28%). This lack of attachment to the Community is in contradiction to other opinions expressed: 88% of those polled think that it is 'a good thing' for Holland to belong to the Community, 74% consider that their country has profited by it and 53% would very much regret it if the Community collapsed. However these questions refer only to the utilitarian aspect of the Community, while the question concerning attachment involves an affective element and a comparison with the feelings that citizens experience towards their traditional communities. Nonetheless such a gap certainly exists - even though to a lesser extent - in the opinion of all the countries of the EC. But in spite of these differences the replies to the general question give us a precise indication of the way citizens feel about their simultaneous membership of several communities, and confirms the emergence of a sense of plural loyalties in public opinion.

TOWARDS A COMMON FOREIGN AND SECURITY POLICY

1. General objectives and fields of activity

Following in the footsteps of the SEA, the Maastricht Treaty deliberately steps out on the way to a Political Union. The SEA incorporates political cooperation but has only a marginal place for common security. It nonetheless has the merit of having made a place for security, long considered taboo in the sphere of the Community's preoccupations. With this first opening the EU took a decisive step by uniting in one single common policy two dimensions artificially kept apart by history. However the treaty does not make provision for the inclusion of the third dimension, that of shared defence, except in the long term. Now these three dimensions together with external economic relations and aid and development policy form the identity of a political community on the global stage. This identity of the European Community that is being progressively constructed on the basis of economic integration and political cooperation is on the way to a coherent expression in the EU. This commitment is clearly expressed in Article B of the common provisions: 'The Union shall set itself the following

objectives . . . - to assert its identity on the international scene, in particular through the implementation of a common foreign and security policy including the eventual framing of a common defence policy, which might in time lead to a common defence'. The Union has the particular task of keeping an eye on the coherence of the totality of its external action in the framework of its policies in the area of external relations, security, economy and development while the Council and the Commission have the responsibility of ensuring this coherence. From now on the tendency of the Union is to bring together common institutions, policies and actions under one roof and to create new synergies in those domains that are political par excellence. In establishing a common foreign and security policy the Maastricht Treaty assigns to it in Article J.1 the following Objectives: the safeguard of the common values, fundamental interests and independence of the Union; the strengthening of the security of the Union and its member states; the preservation of peace and the strengthening of international security in accordance with the principles of the United Nations Charter as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter; the promotion of international cooperation; the development and consolidation of democracy and the rule of law and respect for human rights and fundamental freedoms. The Union shall pursue these objectives by establishing systematic cooperation between member states in the conduct of policy, gradually implementing joint action in the areas in which member states have important interests in common. In order to ensure the effectiveness of this systematic cooperation, member states commit themselves to support 'the Union's external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity. They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations' (Article J.1). These are the principles that are now to guide the member states in their behaviour. The treaty gives the Council the task of seeing that respect is shown for these principles.

If the general objectives and principles do not raise any problems, their realization and implementation on the other hand come up against numerous difficulties. Thus the formulation of common guidelines and actions in the spheres where member states have important interests in common will be a tough assignment for the European Council and the Council. The difficulty of their task may be measured by the complexity of the mechanism as constructed by the negotiators of the Maastricht

Treaty. This structure of authority reflects the diversity of objectives and interests of member states and reveals the problems raised by their aggregation in this domain at the heart of national sovereignty. Hence the concern of member states to keep control of it and manage it by means of predominantly intergovernmental process in which not only do member states take on the bulk of the responsibility but they also make sure they are effectively covered by a requirement for unanimity. On the other hand, the Commission no longer provides the main thrust although it remains fully associated with the work of the European Council thanks to the presence of its President, as also with the work of the Council and Political Committee. The role entrusted to the Commission is certainly a background one but it will be up to the Commission to make itself useful and even indispensable. In the meantime the treaty maintains a clear distinction between the division of powers and responsibilities in the domains that are the province of the Community and in those that are the province of the EU: as a pillar of the Community the Commission-Council tandem is at the centre of the decision-making process while within the Political Union it is the Council that holds this key position. It is the Council that has the main responsibility for implementation of a common foreign and security policy in terms of the general guidelines set by the European Council.

The logic of the system dictates that the common foreign and security policy be based on principles laid down by the European Council and fit into their general guidelines. Thus the European Council has the ultimate responsibility for the external policy of the EU: its general guidelines provide the basis for decisions taken by the Council of Ministers of Foreign Affairs on the formulation and implementation of this common policy. Likewise the Council oversees the unity, coherence and effectiveness of the Union's action (Article J.8). As for the Commission, it is fully associated at different stages with work on the common foreign and security policy. Thus the Maastricht Treaty distinguishes between two levels of responsibility, one level being that of overall conception and general guidelines, the responsibility for which lies with the European Council - with the President of the Commission as *ex officio* member - and the other level being that of formulation and implementation of concrete policies through the adoption of common positions and common actions, a task it entrusts to the Council aided by the Commission. According to Article J.4.

'The common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence'.

This same article establishes a distinction between security in the broader sense and defence properly so called. This means that questions with defence implications are not subject to the procedures in Article J.3 relative to the adoption of common actions but are regulated by particular provisions in Article J.4. The inclusion of defence alongside joint action constitutes the main innovation of the EU, which furthermore systematizes and integrates the elements and practice of a common foreign and security policy.

2. A common external policy

For the formulation and implementation of its common foreign and security policy the Union has three instruments: common positions, joint actions and joint representation.

In the framework of systematic cooperation and according to a long-established tradition, member states keep each other informed and consult with one another in the Council on every external policy matter having a general interest. In this way they aim to consolidate their influence on the international scene by carrying out actions that are convergent even though not necessarily joint. A higher level of cohesion may be reached when the Council formulates a common position where it thinks necessary to do so. Thus convergent actions are undertaken through exchanges of views or as a function of common positions on the initiative of a member state, of the Commission or of the presidency of the Council. In the light of experience of political cooperation, even systematic cooperation remains a flexible and partially binding instrument. It is member states that have the duty of seeing to the conformity of their national policies with common positions. The example of the responses of member states to the Yugoslav crisis and the issue of the recognition of Slovenia and Croatia is certainly far from being a model as far as respect for common positions goes. This pre-Maastricht experience allows us to cherish some hope in regard to the concerted convergent approach prescribed by the European Union Treaty. In fact member states commit themselves to coordinate their action and defend common positions in the international arena even in the absence of some of them.

The treaty does tie member states down more in regard to the pursuit of their national policies and to their positions within international organizations and meetings. But with a display of (possibly excessive) confidence it leaves the pursuit of these policies mainly to the member states.

Aware of the hazards of this method member states decided to strengthen their common identity by establishing a new procedure for the adoption and implementation of *joint actions* (Article J.3). This procedure makes it possible to undertake joint actions that are more narrowly-defined and more binding. In adopting a common action the Council has a particular concern to settle its scope, objectives, and means. In turn in their adoption of positions and in the conduct of their action member states are bound by the terms of the joint action. The follow-through of the joint action is the task of the presidency which is as a general rule constituted by the 'troika' and which, according to Article J.5, paragraph 2 'shall be responsible for the implementation of common measures'. The Commission is fully associated with these tasks, which also involve the Political Committee made up of the political directors of Ministers of Foreign Affairs. According to the terms of Article J.8, paragraph 5, the Political Committee 'shall also monitor the implementation of agreed policies, without prejudice to the responsibility of the Presidency and the Commission', of national positions has become the exception.⁵ Thanks to the information and cooperation network (COREU) and the work of the group of permanent representatives at the UN, the Community has progressively asserted its political personality. However, it is quite natural to wonder whether the high degree of cohesion shown especially at the General Assembly or at Ecosoc does not owe a great deal to the generally low level of bindingness associated with those institutions' powers. The real test of cohesion is provided by important questions or crises in institutions having the power to make binding decisions. In any case the Maastricht Treaty aims to strengthen the presence of the Union in the various UN institutions, commissions, and conferences. Witness the presidency's representative role as spokesperson for Community and member states and also its concern to ensure that member states not represented in certain international organizations or at particular international conferences are kept informed. The presidency or member states who are present are under an obligation

⁵ Luigi Roselli, *The European Community as a New Actor on the UN Scene*, Rome, SIOI, 1992. An analysis of voting shows that the level of cohesion is as high as 86%.

to defend common positions.

Where the Security Council is concerned the issue is different - especially in respect of the permanent seats: should the number of permanent members and other members be augmented? The economic power and growing political influence of Germany and Japan seem to fit them naturally for these positions of great responsibility. But can these two economic powers become permanent members of the Security Council that decides on sanctions and collective actions to preserve the peace when they themselves are not in a position to make their contribution to peace-keeping on account of constitutional hindrance or customary reticence? It is no accident that the German government intends to try again for a reform of its Fundamental Law at the same time as it returns with a renewed request for a permanent seat. Moreover does the presence of a third member of the Community not threaten to raise the question of the over-representation of the Community and at the same time of Western powers? And suppose Italy too, a member of G-7, were to make an official request for a seat? On the other hand it would seem to be opportune to make an effort to reestablish global equilibrium within the Security Council by opening it up to some Third World Country like India, Brazil, or Nigeria. This has recently been suggested by the UN Secretary-General. Or would it not be wiser to adopt a regional approach? The representation of large regions or regional organizations would be all the more appropriate in that they will in the future be called on to bear a greater share of responsibilities and burdens as a function of the local dimensions of so-called peripheral conflicts. For the time being the Maastricht Treaty adopts a solution that includes an obligation to share, inform and act together on matters that come before the Security Council. As for France and the UK who are permanent members, it is up to them in the exercise of their functions to ensure that they defend the positions and the interest of the EU. But it may be doubted whether this representation formula can satisfy the ambition of a unified Germany which is striving to assert itself more effectively on the global as well as the European stage.⁶

On the level of bilateral representation, certain ambitious projects for the creation of Community embassies have been abandoned in favour of a consultation and cooperation formula. To this end Article J.6 lays

⁶ My report on *Le processus de décision au Conseil de Sécurité*, Rome, SIOI, 1992.

down that 'the diplomatic and consular missions of the member states and the Commission Delegations in third countries and international conferences and their representations to international organizations, shall cooperate in ensuring that the common positions and common measures adopted by the Council are complied with and implemented'. This is a long way from the right of joint legation in the draft European Union Treaty adopted by the EP in 1984. On the other hand, under the form of a more precise obligation the Maastricht Treaty codifies the customary cooperation between representations of member states and of the Commission. In doing so it introduces the practice of joint assessment together with a closer collaboration for the protection of EU citizens outside the Union. Following a gradual method that fits in with existing needs or codifies customary practices, the EU is progressively asserting its international personality. On occasion it is even introducing innovations and strengthening its outward cohesion by giving itself new instruments and means. The question is whether these means, considered adequate or even advanced in earlier days, are adapted or adaptable to the changes and challenges of today and tomorrow. Before this question is answered it will be necessary to get a clearer grasp of the way this complex system functions by setting out the twists and turns of its decision-making process.

3. Towards a European defence policy: the end of a taboo?

'The common foreign and security policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defence.' (Article J.4) This the first time since the traumas of the failure of the CED and then of the Fouchet Project that defence figures explicitly in an official text. It is true that a European approach to security resurfaced discreetly in the early eighties in EP reports and drafts.⁷ But it was the SEA that after so many years of silence introduced the concept of European security into its provisions institutionalizing political cooperation:

⁷ European Parliament: the Lady Elles (1981), Haagerup (1983), Galluzzi (1986), and Penders (1989) Reports and the Draft European Union Treaty (1984); WEU, 'Les intérêts européens en matière de sécurité'.

'The High Contracting Parties consider that closer cooperation on questions of European Security would contribute in an essential way to the development of a European identity in external policy matters. They are ready to coordinate their positions more closely on the political and economic aspects of security.' (Title III, Article 30, paragraph 6a).

This provision shows that European security is now officially part of the external policy and political personality of the European Community. The text prudently restricts itself to the political and economic aspects of security. In reality defence remains the exclusive domain of the Western European Union (WEU) and especially of NATO.

Behind this compromise can be discerned the old conflict going back to the end of the War and setting the supporters of an Atlantic defence under American leadership against partisans of a more autonomous European defence within NATO.⁸ This cleavage became all too apparent when President de Gaulle proposed that defence be included in the draft treaty for the Union of European States. Fears that General de Gaulle wanted to get control of European defence and that American protection might be weakened were among the powerful arguments used to block the Fouchet Project. The conclusion of the Elysée Treaty and France's withdrawal from NATO were signs of General de Gaulle's persistence in promoting European defence. Was this a way of filling the void left by the failure of the CED?

General de Gaulle resigned, several governments of different political hues came after him in France and her partner nations, but the cleavage has not disappeared. Hostility between partisans of an Atlantic defence and those of a European defence has left its mark on strategies and outlooks. Thirty years after the failure of the Fouchet Project, at the time of the Maastricht Treaty negotiations and while France and Germany were arguing for a more European approach within the Atlantic Alliance, the British government, supported by the Italian government, pleaded for an Atlantic defence. The treaty opted for a compromise between these two strategies, affirming that in the long term European security involved the formulation of a common defence policy. Thirty years later the Maastricht Treaty exorcised the European taboo by

⁸ Michèle Bacot-Décridat et Marie-Claude Plantin, *La Communauté, la défense et la sécurité européenne. Une identité européenne en matière de défense et de sécurité est-elle possible?* Lyons, CERIEP, 1991.

including common defence in the concept of European security. The painful slowness of this progress is a testimony to the prevailing rigidity of concepts and ideas that ignores changes in reality. In fact, since the fall of the Berlin Wall, the Gulf War, and the explosion of nationalisms in Eastern Europe, the basic data have been turned topsy-turvy. The Soviet threat has been replaced by the danger of the spread of ethnic conflict in Europe. At the same time the USA, the only superpower left since the collapse of the Soviet Union, is tending to take a more detached attitude to Europe. In a state of relative decline on the economic level, burdened by deficits and public debt, America no longer has the economic muscle to match its military domination. Reluctant to go on carrying the excessively burdensome expense of defending others, it is tending to slim down its global military presence and especially in Western Europe. Reduced to about 150,000 troops, its presence now has more of a symbolic significance. In spite of these restrictions the USA is not resigned to abandoning its leadership role. The debate over the new role of NATO and the WEU and over the creation of a European or Atlantic multinational rapid intervention force is a clear sign that both Atlantic and European misunderstandings are long-lived. The Maastricht Treaty performs a balancing act in the midst of such labyrinthine ambiguities.

The concept of European defence is stated without any dates being set down for its realization. Article J.4, however sets out a range of concrete measures indicating a determination on the part of member states progressively to forge a European defence identity. Its secular arm is 'the Western European Union which is an integral part of the development of the Union'. Without being integrated into the EU as of now, the WEU is to 'elaborate and implement decisions and actions of the Union which have defence implications. The Council shall, in agreement with the institutions of the WEU, adopt the necessary practical arrangements'.

The nine states that are members both of the WEU and the EU set out the vocation of the WEU and the scope of the provisions of the Treaty on EU in a declaration adopted at Maastricht. The Nine agree on the necessity of forming a truly European security and defence identity and of assuming increased European responsibility in the area of defence. This identity will be elaborated little by little and in successive stages. As of now the WEU is an integral part of the development of the EU and aims to strengthen its contribution to solidarity within the Atlantic

Alliance. Thus, the WEU has a present role to fulfill and a future vocation within the EU. At the same time it is becoming clear that one of the goals and consequences of this European identity will be to lighten the burden of American responsibility while at the same time increasing the share of the Europeans in the Atlantic Alliance. To this end the WEU will be developed as a constituent part of the defence of the EU and as a means of buttressing the European pillar of the Atlantic Alliance.

While waiting for the integration of the WEU in the EU, the Nine have invited Denmark, Ireland and Greece to join the WEU or become observers. They have also decided to take a range of measures to consolidate cooperation between the two organizations: synchronisation of meetings and harmonisation of working methods; informing and consulting the Commission; cooperation between the EP and the Parliamentary Assembly of the WEU. These measures creating closer links will be facilitated by the transfer of the seat of the WEU to Brussels. The Atlantic loan is secure, relations between WEU, EU and Atlantic Alliance being clearly formulated; the policy of the Union respects obligations arising for certain member states from the North Atlantic Treaty and it is compatible with the common security and defence policy set out in this context. The WEU, whose role is to buttress the European pillar of the Atlantic Alliance, is acting quite in conformity with positions adopted in the Atlantic Alliance. Its member states are committed to an intensified coordination on questions that represent an 'important common interest' within the Alliance which remains 'the essential forum for consultation between the allies and the arena in which they are in agreement on policies concerning their security and defence commitments with respect to the North Atlantic Treaty'.

The experience of the Gulf War and the Yugoslav conflict has encouraged members of the WEU to increase its operational role by discussing and planning the appropriate missions, structures, and means, by instituting a planning cell, meetings of chiefs of staff and a closer military cooperation. Members are also going to study the creation of a European Armaments Agency and the transformation of the WEU Institute into a European Security and Defence Academy. Anticipating the development of security and defence policy the members of the EU have accepted (according to a principle applied to other sectors) that closer cooperation may take place between two or more member states on the bilateral level in the framework of the WEU and the Atlantic Alliance, to the extent that this cooperation does not contradict or hinder the cooperation planned for in the Maastricht Treaty. The coproduction of

armaments or the creation of a Franco-German army corps are examples of cooperation between two or more member states. Flexibility and a determination to protect each others' interests are characteristic of the pragmatism shown in this particularly sensitive area. As an example, Article J.4 lays down that Union policy in this sector shall not prejudice the specific character of the security and defence policy of certain member states. The Treaty seems to have sought to preserve both specific Anglo-American links and French commitments to certain African countries.

The formation of a European security and defence identity is a gradually evolving process. That is why the treaty lays down that in order to further its objectives provisions relative to security and defence may be revised on the basis of an assessment of progress achieved and experience gained. This assessment will be the object of a report to be submitted in 1996 by the Council to the European Council in anticipation of the definitive integration of the WEU in the EU which might happen in 1998, the year when the Brussels Treaty expires. Thus by avoiding the reefs the Maastricht Treaty has indicated the steps to be taken for the attainment of a common security and defence policy. The future of this common policy is entirely down to the political will of the member states.