

Postface

The Union in a state of emergency

The role of European leaders

The leading role played by the EU's founding fathers such as Schuman, Spaak, De Gasperi and Adenauer, and the contribution of its designer and architect, Jean Monnet, are recognized. Then there is the powerful shadow cast by de Gaulle and by the first President of the European Commission, Hallstein. However, the buzz of the first years was followed by a duller period without visionary leaders. This was until the arrival of Jacques Delors, who heralded a period of revival that led to the single market, followed by the creation of the single currency, the European Central Bank's euro and the euro area. It was inspired by Jean Monnet's strategy of integrating sector after sector, tinged with determinism, giving rise to the idea of a 'vanguard' and a vision of the future with *spillover effects*. This impetus benefited from the support of Mitterand and Kohl in France and Germany, continuing the legacy of Giscard d'Estaing and Schmidt.

However, too confident in the success of the integration process that he had restarted, Jacques Delors¹ left the economic and governance aspects of the euro are unfinished. In addition, the Maastricht Treaty provided for a straitjacket of counter-inflationary measures and the limitation of public debt in the form of sanctions, without any further stimulus. It is invoking these rules that led Chancellor Merkel to reject the proposal of a group of economists inspired by Jacques Delors and Tommaso Padoa-Schioppa to use *Eurobonds* in order to develop infrastructure, research and innovation and education, as a united response to the financial crisis imported from the United States in 2008.

Merkel's rejection was based on legal arguments. Yet the vanguard was entrusted with *informal governance* through the *Eurogroup* at the very heart of the euro area. In the name of financial efficiency, the Eurogroup continues to play its central role in the euro area, to the great detriment of democracy and respect for values. With no legal status, it is acting in an arbitrary manner by bypassing the democratic procedure that the European Union prides itself on, and which it seeks to impose on Member States which, like Hungary and Poland, are quick to follow authoritarian paths!

¹ Jacques Delors certainly expressed his enthusiasm for including the term 'federal' in the statutes of the ECB!

Do we have the right to claim to cultivate democracy in the European Union while tolerating the *virus* at the heart of the vanguard? There is an urgent need to assign a legal status to this informal and irresponsible decision-making core!

The Convention tasked with developing the draft constitution for Europe.

This consisted of 105 members, including three representatives per Member State and candidate country², each designating two MEPs or senators and the government choosing the third person, 16 MEPs, two members of the European Commission.³ Their work was chaired by Valéry Giscard d'Estaing, assisted by two vice-chairs, Giuliano Amato and Jean-Luc Dehaene. The constitutional treaty was adopted by an intergovernmental conference in Rome in October 2004. It must be conceded that this Treaty had nothing to do with a constitution. In fact, it was a hodgepodge of over 300 pages that were difficult to understand, even for European leaders and specialists⁴.

The result was that the 'no' outcomes of the referenda in France and the Netherlands prevented the treaty from coming into effect. Public debate at all levels raised several questions, and above all that of the requirement for it to be ratified unanimously. This was a barrier to the progress essential for the union's adaptation and advancement. This barrier was inherited from the beginning of the confederations of the past.

Moreover, with ratification by some States by referendum, the fate of the treaties lies with marginal minorities of European citizens! A European constitution would gain legitimacy if it was approved by a *European referendum*, as proposed by President de Gaulle in his time.

Deficiencies and distortions in the Lisbon Treaty

The entry into force of the Lisbon Treaty roughly coincided with the financial crisis in the United States. I remember that, travelling to New York for the United Nations assembly and meetings, the Commission President declared to journalists that it was a '*cyclical*' crisis. It is true that, at the start, its ramifications did not seem to

² There were 15 member countries and 13 candidate countries at the time.

³ Michel Barnier and António Vitorino.

⁴ As special advisor to the President of the Commission, I wrote my report drawing attention to the fact that the text lacked readability for European citizens. In an interview with Valéry Giscard d'Estaing at the European Movement Conference in Athens, I expressed my criticisms and proposed a text that would only cover the main institutional provisions and fundamental rights, but this was in vain.

threaten the functioning of the Euro area.⁵ It is interesting, above all, to note that no article of the Lisbon Treaty provided for any economic and investment stimulus measures to avoid recession. However (probably under German pressure) it did provide for a whole series of penalties, depending on the gaps identified in budgetary orthodoxy.

The negotiators had agreed on a reduction in the number of members of the Commission. But a first backwards step was to maintain a Commission in which all Member States were represented in order to facilitate Ireland's acceptance by referendum, at the expense of a breakthrough with the intergovernmental approach within an independent institution acting in principle in the general European interest.

A second innovation, introduced by the Treaty, was a citizen initiative that was quickly stripped of any significant impact because, unlike that of Switzerland, it was only advisory in nature. It seemed as if every effort had been made to ensure the Commission had the upper hand in the process and could alone decide whether or not to accept citizens' initiatives. This will certainly be an issue to take up again at the *Conference on the Future of Europe*.

Finally, a third obstacle that remains, due to Member States as a whole failing to agree to remove it, is the unanimity that is still essential for bringing a new treaty into force. And yet more and more international organizations have protected themselves by providing for a qualified majority that automatically ensures the entry into force of an agreement between those that have agreed it. This issue also calls for reflection and proposals by the *Conference on the Future of Europe*. On the other hand, as highlighted by Jacques Delors, under the European treaties, nine member countries have the possibility of using *enhanced cooperation* after overcoming the obstacle of unanimous prior agreement as the starting point.

Perhaps the most serious distortion is that of the *Eurogroup*, responsible for most of the decision-making process within the euro area, as has already been commented on briefly above. This distortion of a text adopted by all is a sign of difficulties in the Union's progress along the federal path.

Taking into account the lessons learned from the very first negotiations on the ECSC Treaty, would it not be desirable to uphold an experimental rule consisting first of defining objectives, developing the substantive aspects of the future treaty,

⁵ Christakis Georgiou, 'Adjusting to the corporate consensus: Corporate power and the resolution of the Eurozone crisis', Université de Genève, Global Studies Institute, Working Paper, 2019.

and only latterly asking the question of which institutions would make it possible to achieve the objectives enshrined in the treaty?

After this reminder of the excesses of the Lisbon Treaty, one might wonder what the best approach to achieving political union both quickly and securely would be. A cursory look at the profound changes that have taken place, most often by surprise and sometimes accompanied by threats of conflict, suggests that time is increasingly short for addressing the nature of the threats, added to the challenges posed to the organization and functioning of our societies by artificial intelligence, which nevertheless also has positive applications, such as in medicine.

The Union urgently needs a political core

After the failure of the Fouchet Plan, other attempts have met a similar fate: the Tindemans Report in 1975, the result of an aborted mission, and the European Parliament's project known as the Spinelli Project in 1984. Each of these projects contained proposals that responded to the concerns of the time, and sometimes left unanswered questions. All these contributions shed light on certain aspects and draw attention to aspects that form leitmotifs for the evolution of ideas towards political union.

A glimpse at the different fields covered in this book is clear enough to persuade us that most of the important issues can only be addressed through political power. This explains the proposal, instead of the ambition, of mobilizing all member countries around this objective, to initially limit itself to creating a *political core*. Creating this nucleus of political authority is in fact the most pressing issue. We should remember that, while it entails a responsibility regarding European citizens, the euro also entails another responsibility regarding global financial stability, as the second international currency after the dollar.

We have said that future political union is the key to the success of monetary union. This was the claim of the Bundesbank in 1992⁶. Two years later, Lamers and Schäuble proposed a 'hard core' Europe that provided for a government and a legislature. While I prefer the term 'federal core', I nonetheless reiterate that there has been no lasting single currency in history that did not also have sovereign power. The euro is, however, part of an integrated economic system devoid of a political framework. The study by Karl W. Deutsch's team also

⁶ *Monthly Report of the Deutsche Bundesbank*, February 1992.

concluded that successful federations were formed under the impetus of a federal core.⁷

Reading Sandro Gozi's book provides a broad overview of the threats and challenges facing Europe. The shadow of GAFAM looms large over markets and over States and political communities.⁸ Their ambition is to dominate minds and create the digital human. And how can Europe, the world's largest market, address these vital questions with no political power and only one voice on the global stage? This is the key problem to be addressed at the *Conference on the Future of Europe*. Clearly, the sector-specific method has reached its limits, as interaction and integration necessarily require a global vision and approach. The financial crisis and its austerity cure have paved the way for nationalists and populists, and have resurrected extremist movements on the left and right. But the pandemic has sounded a wake-up call, under the influence of France and of Germany, the latter having reversed its austerity policies. Last summer's European Council ratified the €750 billion economic recovery plan after five days of haggling. These huge sums will come from markets, for the first time, in the form of a European debt!

My closing comments relate to research and education, key fields for Europe's future. European research programmes and innovations have been tested by an unseen virus. In other words, beyond joint research, it is wise to support small teams mainly dedicated to research, and to simplify application procedures. Is this where European venture capital could come in? In education, the Union's contribution mainly covers higher-level education, rather than European schools. Should additional study in European civic education and history be envisaged from infant and primary school upwards, together with an experimental introduction to scientific thought, such as France's *Main à la pâte*⁹ science education scheme? This issue should be high on the agenda at the *Conference on the Future of Europe*. These are the questions on which the future of our culture and the survival of our civilization depend.

It is time to recognize that the EU urgently needs a dynamic federal core with sovereign powers, to restore vital momentum that could lead other members to follow in its footsteps and join it. The *enhanced cooperation* set out in the Lisbon Treaty would enable the creation of this vanguard core capable of responding to

⁷ K.W. Deutsch et al., *Political Community and North Atlantic Area*, Princeton University Press, 1957.

⁸ Jérôme Duberry, *Global Environmental Governance in the Information Age: Civil Society Organizations and Digital Media*, Routledge, 2019.

⁹ Speech by Dusan Sidjanski at the ceremony in tribute to and memory of Georges Charpak, Institut de France, Académie des sciences, Paris, 1 March 2011.

the array of threats and ensuring the survival and reform of the euro area, as well as consolidation of the euro.

Integrated into the Union, this core would use the same structures limited to the size of its members forming part of the euro area: a European Council, a Council of Ministers and above all an Executive and the ECB, the European Parliament reduced to the number of MEPs¹⁰ and a specialist chamber of the Court of Justice. This core would have sovereign powers and its decisions would be taken applying the Community method by qualified majority in the monetary and economic fields, as well as in its external relations, security and defence, its power projection to the outside world and migration flows.¹¹ This decisive act would ensure the euro's survival and would allow for common strategies and the allocation of resources, since it would have its own budget. The details still need to be fine-tuned, but the key is to enhance cooperation in an integrated democratic structure within the Union.

The momentum generated by this federal core would give impetus to all 27 Member States, by intensifying their 'unity in diversity' according to a federal vision. This initiative is incumbent on France and Germany, together with Italy and other euro area countries that have the courage to make the commitment. It is time to remedy the teething troubles of the Union, which since the failure of the EDC has not been able to acquire political power, whereas politics has now taken the place of economic and social aspects. Thanks to this 'political leap', the European Union could restore its role as a beacon of democracy in our globally destabilized world. I am convinced that the survival of our civilization depends on it.

To this end, I propose proceeding in two phases:

- 1) immediate action by a federal core at the heart of the euro area able to give fresh impetus to the European Union;
- 2) a strategy to reshape the Union in the medium term.

If a State wanted, from the outset, to veto the launch of such an enhanced cooperation initiative, I believe that the only way would be to create this political

¹⁰ The idea of a separate parliament would threaten not only to reinforce the west-east split but, more importantly, to cause a split within the European Union itself.

¹¹ Migration and European migration policy are very important points that the Centre of Excellence proposes to address at a forthcoming colloquium that will be followed by a publication.

core outside of the Lisbon Treaty, while providing a time line for its integration into the Union's institutions.

The pandemic has made us conscious of the importance of a political authority when it comes to saving lives, and at the same time of enhancing the democracy and the strengths of our European Union.

Prof. Dusan Sidjanski