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Year XXX, Number 2, July 2017

New Series

# The Federalist Debate

Papers on Federalism  
in Europe and the World

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*The establishment of a perfect civil Constitution  
depends on the problem of governing the external relations  
among states through law*

Immanuel Kant

# Why is the Union in Urgent Need of a Political Core?

*Dusan Sidjanski*

## **Europe swept up in the turmoil of world events**

After a period of US hegemony through its role as a “superpower”, the world has shifted towards a new multipolar distribution of power. Our high tech civilisation is prey to two opposing forces: the attraction towards globalisation as a result of the technological revolution, and the reaction against it due to cultural, national and regional particularities. At the same time, we are seeing the emergence of new superpowers such as China, India, Japan and Brazil, as well as Russia’s desire to regain its position as a major power, of which it had been stripped after the collapse of the Soviet Union. Hence, its military intervention in Georgia, followed by the deployment of its air force in Syria, its reclaiming of Crimea and involvement in the civil war in Ukraine. Russia will clearly do whatever it takes in the face of the marginalisation which the United States has inflicted on it by excluding it from the G8 and strengthening its presence in neighbouring countries.

## **Franco-German synergy**

Regional conflicts have been rising since the invasion of Iraq, which both France and Germany refrained from getting involved in. The world has entered a new phase of chaos where the rule of force is becoming stronger than the law. What role should fall to the EU, a major economic power yet still without shared political sovereignty? After Brexit, France is the only country left equipped with those sovereign powers which Germany,

a major economic power, is lacking. Two complementary Member States destined to assume the role of the driving force of the Union. France has a permanent seat on the Security Council, a nuclear deterrent as well as conventional military strength, and as such is the leader in matters of defence. In turn, Germany is the dominant economic power in Europe and wields superior influence within the Eurozone. If the Franco-German couple were to pool their strengths, they would act as a magnet within the Eurozone and within the Union of 27 as well. Yet each of them seems to take pleasure in exercising its power unilaterally. France engages in military action in Mali without previous consultation and subsequently asks for the Union’s support. As regards migration, Germany signs an agreement with Turkey which the Union ratifies although deeply divided on the question of migrants, and thereby finds itself at the mercy of the Turkish President.

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### **Relations with Russia**

What part is to be played by the European Union in this situation which may spiral out of control? Divided and weakened, is it capable of pleading the case for peace and dialogue between cultures? Has the time not come to strengthen the Union to enable it to react to the numerous dangers to which it is exposed? And to protect its citizens against the fear of migrants and terrorists which incites them to withdraw into themselves, to bring back borders and erect walls?

With this aim in mind, the Union's policy towards Russia is a problem which needs to be re-examined. In the 1990s, French President Mitterrand proposed a confederation between the European Union and Russia, which was highly motivated to enjoy closer relations with the EU. This proposal was abandoned due to opposition from those countries recently freed from communist rule but which still bear lasting marks of their Soviet past. What should be our attitude towards Russia, a geographical neighbour that shares our European culture based on our heritage passed down from Ancient Greece, from Rome and from Christianity? In 2008, the Commission set up the Eastern Partnership without including Russia, despite the fact that together with the EU Russia would have been able to ensure the smooth functioning of the Partnership. In a new world order rocked by Trump's unpredictability, would it not be wise to make efforts to rebuild peaceful and stable relations with the Union's neighbourhood, and in particular with Russia?

### **European defence and foreign policy**

In today's world full of unforeseeable dangers, the Union, which is a major economic power as well as a creative cultural hub, nevertheless suffers from the absence of a common European defence and foreign policy. There is no lack of proposals yet they remain in the

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planning phase. Therefore Italian leaders have invited those Member States who so desire to create a “Schengen for European defence”. France does not want to be left out, particularly since it is the EU’s major military power and as such should run this project together with Germany and Italy. We must not forget the lesson learnt from the EDC as well as the democratic principle whereby civil power exercises full control over military power. Any approach which reverses this democratic mindset should be banned.

### **Core group of a European political Union**

As in the case of other matters which figure among sovereign powers, there is an urgent and essential need to set up the core group of a political Union equipped with executive, legislative and judiciary institutions incorporated within the European Union and at the heart of the Eurozone – preferably functioning according to enhanced cooperation and relying on the existing institutions, only reduced in dimension to the size of the core group. This is all the more important since a European defence policy should follow a general and coherent strategy defined by a political Authority in terms of foreign relations, defence and security, as well as immigration policy. Such global and hence political strategic thinking will influence the nature of our relations with NATO, whose benefits to its members are being challenged. This is what is being implied by the President of the country which leads and dominates this organisation. The political Union would as a result be faced with the dilemma of either forming an independent alliance and developing an autonomous defence policy, or aligning itself with the United States and NATO, a strategy which on several occasions has proven to be detrimental to the interests of the EU. These are choices that quite evidently go beyond the competences of the European Union;

they are the responsibility of a political Authority with which the core of a political Union will be equipped.

The sharing of sovereignty would raise many questions which have often been kept quiet. Should we entertain the idea that France, in its capacity as a permanent member of the Security Council, should not be allowed to take decisions before consulting with the core group of the political Union, or even that a representation of the political Union should be set up in accordance with its general strategy for foreign relations? And what about the nuclear deterrent which France is the only Member State to have as a result of Brexit? The experience of the EDC comes to mind as a warning against de Gaulle’s opposition to a European army, the result of which was the opposite of what he had hoped the failure of the EDC would prevent. Indeed, contrary to his aim to stop West Germany from rearming, the rejection of a European army resulted in the revival of an independent German army. In the current situation, it is not unreasonable to imagine that German military strength could rapidly expand, or even that it could develop nuclear weapons, which seems to be confirmed by the low-key debate that is taking place in certain circles in Germany.

Supposing that this were true, how would France and other members of the political Union react? Would France propose to extend its nuclear protection to serve the political Union and European defence, or, on the contrary, would it try to block any potential German initiative? These are issues which are beyond the sphere of influence of the EU and which should be addressed by the leaders of the political Union. What will France ultimately decide to do, in the light of the strategies adopted by the two nuclear superpowers, the United States and Russia, as well as the unpredictable actions of other States, such

as North Korea, which possess operational nuclear weapons?

### **Survival of the euro**

The future political Union is the key to the success of the monetary Union. This is what the Bundesbank maintained in 1992<sup>1</sup>. This was followed in 1994 by the project of Lamers and Schäuble calling for a "hard core" equipped with a government and sovereign powers, which include the currency. It is a fact that no single currency has ever existed without sovereign power. So, the euro lives on borrowed money thanks to the ECB, whereas only a political core will be able to ensure the survival of the euro. The situation is worrisome, particularly since the demise of the euro would deal the final blow to the European Union and at the same time provoke a global crisis<sup>2</sup>.

Having sunk into oblivion for some time, the "Schäuble plan" became a talking point once again with the financial crisis imported from the United States in 2008, which morphed into the economic and social crisis, undermining societies and their political systems. The drift towards authoritarianism in Hungary and Poland are evidence of this. Moreover, the threats are mounting: the effects of austerity measures on unemployment, pauperisation and economic depression which in turn trigger a surge of nationalism, supported by a wave of populist, even extremist and anti-European sentiment. The EU's image is tarnished in the eyes of its citizens.<sup>3</sup> But if at least 9 members of the Eurozone have recourse to the treaty's clause on enhanced cooperation, this would allow the Eurozone to be equipped with a social dimension and at the same time the European Central Bank would enjoy increased powers, enabling it to intensely promote growth and employment. Consequently, it would be in a position to provide impetus to the economic union, to large-scale European-wide projects financed by *eurobonds*, while at

the same time stimulating the performance of all 27 Members. The Eurozone is called upon to provide this stimulus to the EU's economy and to mutually support the most ailing economies. As a result, the Union would regain favour with European citizens by demonstrating its ability to honour its promises and to respect the EU's fundamental values.

It is high time that we recognise that the EU is in urgent need of a dynamic core group within the Eurozone, equipped with sovereign powers, if it is to be revitalised with other Members following in its wake. In this respect, the Lisbon treaty provides for "enhanced cooperation", allowing for the creation of a vanguard political core group capable of responding to the accumulation of threats and ensuring the survival of the euro.

Incorporated within the Union, this core group would have at its disposal the same structures reduced in size to correspond to its 19-member configuration: a European Council, a Council of Ministers and, most importantly, an Executive and the ECB, a 19-members Commission within the European Parliament and one chamber of the Court of Justice. Moreover, it would have sovereign powers and its decisions would be taken according to the community method by qualified majority regarding monetary and economic affairs, but also in relation to foreign relations, security and defence or migration flows. This decisive move would ensure the survival of the euro through the setting up of the fiscal and banking unions and of a specific budget of 3% of GDP. As a result, the driving force generated by this core would provide impetus to all 27 members by offering them renewed confidence and hope.

It is time to cure the infantile disease from which the Union is suffering; ever since the failure of the EDC it has not been able to equip itself with a political project, whereas

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today politics has replaced pure economics. This revival is what is needed for the European Union to recover its role as a beacon of democracy in our globally destabilised world. This is what Europeans are hoping will come out of the meeting in Rome. The reality is that instead of launching a proposal capable of rallying Europeans, the Commission settled for producing a White Paper outlining five abstract scenarios, a far cry from the very real preoccupations of EU citizens and leaving the choice up to the Member States. Contrary to its duty to initiate proposals and provide impetus, the Commission has abdicated its responsibility in favour of national governments, which are themselves divided regarding the best option for all. Under these circumstances, it is hardly surprising that several major Italian newspapers asked whether the Rome Anniversary marked the resurrection or rather the funeral of Europe.

### **The role of education and culture**

These existential challenges encourage us to reflect on the role of European culture and education. The former is the cornerstone of the European Union encompassing, to quote

Denis de Rougemont, everything that has been inherited and created by Europeans: philosophy, religion, arts, just like the organisation of political communities, education, science and technology, shared values and principles. Our European culture is defined both by its common and diverse nature, a characteristic which calls for a federative system, in other words a core entity responsible for the major areas of sovereignty and the participation by states, regions and citizens in decision-making, as befits a democracy. If this long-term projection is to materialise, it will need to rely on an extended *Erasmus* programme, but above all on the widespread implementation of *European citizenship education*, including the teaching of history and geography from a European perspective, an introduction to European values and principles and to respect our environment, as well as to the destiny shared by all the inhabitants of our planet which is exposed to the numerous dangers of a globalised world threatened by inequalities. So many questions which we and future generations will have to address. Europe's choice will determine whether the European Union is to wake with a new start or to collapse.

<sup>1</sup> *Monthly Report of the Deutsche Bundesbank*, February 1992.

<sup>2</sup> The euro accounts for 30% of the world's foreign exchange reserves. Source : International Monetary Fund, figures as at 24.2.2017.

<sup>3</sup> cf. *Eurobarometer* no. 86, autumn 2016.