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Towards a Common EC Foreign and Security Policy: Phases of European Political Union

by

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Introduction[1]

The European Community (EC) already plays an international role. In the case of the European Coal and Steel Community (ECSC) this is based on article 6 of the Paris Treaty which clearly states that "in international relations the Community shall enjoy the legal capacity it requires to perform its functions and attain its objectives." In the case of the European Economic Community (EEC) there is no similar article, but the Treaty of Rome does give the EEC an international role in various economic areas, especially in the area of commercial policy (art. 113). This, for instance, is why it is the EC Commission which negotiates in the GATT on behalf of the Community. But the European Court of Justice (ECJ) has enunciated the general principle that "in its external relations the Community enjoys the capacity to establish contractual links with non-member States over the whole field of the objectives defined in ... the Treaty."[2] So, to give an example, the moment the EC has developed a Common Fisheries

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[1] This paper is an expanded version of a paper entitled "The EC in the World Context: Civilian Power or Superpower?" which will appear in Futures magazine. The author would like to thank Prof. Guenther Schaefer and Ambassador Charles Rutten for comments on an early draft. Also thanks to the members of EIPA's study group on Political Union, especially Enrico Martial, Sophie Vanhoonacker and Robert Wester, for useful discussions and help in locating relevant documentation.

[2] Case 22/70 (1971), quoted from D. Lasok and J.W. Bridge, Law and Institutions of the European Communities, Fourth Edition (London: Butterworths, 1987), p. 50. For further legal analysis, see also Jean-Victor Louis et Peter Brückner, Le droit de la Communauté Européenne. Vol. 12: Relations extérieures (Brussels: Editions de l'université de Bruxelles, 1980).

Policy, based on the Treaty of Rome, this gives the EEC a competence to negotiate fisheries agreements bilaterally with Third Countries or multilaterally within international fisheries commissions.[3]

In the area of foreign policy, however, the Twelve member countries of the EC are in a much weaker situation. Since 1970 they have had a mechanism known as European Political Cooperation (EPC), which is a more traditional intergovernmental cooperation among the member states.[4] Whereas the EC Council can make decisions based on qualified majority in the commercial policy area, EPC requires consensus. The role of the Commission is also different. In the Community the Commission plays an important role: it takes the initiative, it makes proposals to the Council of Ministers, it represents the Community, it negotiates with Third Countries. Within EPC it does not play these roles. It is only allowed to take part in the meetings, but that's about all, and it did not even have this right at the beginning.

What this means is that the Community of Twelve has a kind of split personality. In the economic areas it is better equipped institutionally to act. It has elements of "supranationality," first of all an independent Commission that can exercise a kind of supranational leadership, bringing the necessary coalitions together. And, at least in some cases, decisions in the Council can be made by qualified majority. In the foreign policy area

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[3] See for instance Finn Laursen, L'Europe bleue: La politique communautaire des ressources marines (Amsterdam: Institute for Global Policy Studies, 1986).

[4] See for instance Philippe de Schoutheete, La coopération politique européenne (Paris: Fernand Nathan, 1980).

even the smallest member state can "veto" any position or action it may not like. EPC remains traditional intergovernmental cooperation. This means that the Community has a greater capacity to act in areas of "low politics" than areas of "high politics."[5]

Will this change in the future? Much will depend on the outcome of the ongoing Intergovernmental Conferences on Economic and Monetary Union (EMU) and European Political Union (EPU).

To venture what may hopefully be "educated guesses" about the future of the EC in the external relations and foreign policy areas the first question is whether we have theories that can help us in such an exercise? Then we can take a look at the current situation and discuss where we may be going, if the theories were to have predictive power. Will future political developments reinforce the EC's capacity to play an international role, even leading to a superpower role for the EC at some time in the future? If so, would it be a good or a bad thing?

The Logic of Integration versus the Logic of Diversity

Various theories have been developed that purport to explain the process of international integration, particularly within the EC. For the purpose of this article two bodies of theory seem particularly relevant. On the one hand, it can be argued that the

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[5] For more on this distinction, see for instance Roger P. Morgan, High Politics, Low Politics: Toward a Foreign Policy for Western Europe (Beverly Hills and London: SAGE Publications, 1973).

neofunctionalist theory of integration, developed mainly in the 1950s and 60s, retains some explanatory power, also when it comes to understanding the EC's new momentum from the mid-80s.[6] On the other hand, however, the classical international relations theory, known as realism, still has many proponents when it comes to understanding the process of integration, especially when it comes to explaining the limits of integration in the foreign policy area.[7] But even the institutional reforms introduced with the Single European Act (SEA) in 1986/87 have been explained by what is basically a realist interpretation of converging national interests, supplemented with a certain role attributed to changes in domestic politics in the most important member states.[8]

However, when scholars and observers predict advances toward a European Political Union (EPU) of some kind in the future, this is often done, implicitly or explicitly, on the basis of some systemic dynamics that attribute a certain degree of automatism to the integration process, both expanding the scope of integration and increasing its level. Such an idea was at the basis on Jean Monnet's proposals at the outset of the process of European integration, starting with the European Coal and Steel Community (ECSC) in 1952, and continuing with the European

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[6] Finn Laursen, "Explaining the EC's New Momentum," in Finn Laursen (ed.), EFTA and the EC: Implications of 1992 (Maastricht, European Institute of Public Administration, 1990), pp. 33-52.

[7] See especially A.E. Pijpers, The Vicissitudes of European Political Cooperation: Towards a Realist interpretation of the EC's collective diplomacy Doctoral thesis, Leiden, 1990.

[8] Andrew Moravcsik, "Negotiating the Single European Act: national interests and conventional statecraft in the European Community," International Organization 45: 1 (Winter 1991), pp. 19-56.

Economic Community (EEC) and Euratom in 1958. The French Minister of Foreign Affairs, Robert Schuman, said in 1950, when he proposed what became the ECSC:

> A United Europe will not be achieved all at once, nor in a single framework: it will be formed by concrete measures which first of all create a solidarity in fact....
>
> By pooling basic production and by creating a new high authority whose decisions will be binding on France, Germany and other countries who may subsequently join, this proposal will create the first foundation for a European federation which is so indispensable for the preservation of peace.[9]

An American scholar, Ernst Haas, developed the concept of spill-over in a study of the ECSC,[10] and it was applied by another American scholar, Leon Lindberg, in an early study of the EEC.[11] According to Lindberg,

> ... "spill-over" refers to a situation in which a given action, related to a specific goal, creates a situation in which the original goal can be assured

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[9] S. Patijn (ed.), Landmarks in European Unity (Leyden: A.W. Sijthoff, 1970), p. 49.

[10] Ernst B. Haas, The Uniting of Europe: Political, Social, and Economic Forces 1950-1957 (Stanford: Stanford University Press, 1958).

[11] Leon N. Lindberg, The Political Dynamics of European Economic Integration (Stanford: Stanford University Press, 1963).

> only by taking further actions, which in turn create a further condition and a need for more action, and so forth.[12]

Haas saw the EEC and Euratom as spill-over from the ECSC. He talked about "the expansive logic of sector integration." He predicted that the process would continue in the EEC. Liberalisation of trade would lead to harmonization of general economic policies, and, he added optimistically: "The spill-over may make a political community of Europe in fact before the end of the transition period."[13]

The external impact of this integration logic was especially explored by Philippe Schmitter. He talked about "externalization," and said:

> Once agreement is reached and made operative on a policy pertaining to intermember or intraregional relations, participants will find themselves compelled ... to adopt common policy toward ... [non-members]. Members will be forced to hammer out a collective external position.[14]

The integration process, however, experienced a crisis in

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[12] Ibid., page 10.

[13] Haas, The Uniting of Europe, p. 311.

[14] Philippe Schmitter, "Three Neofunctional Hypotheses About International Integration," International Organization 23 (Winter 1969), pp. 161-166. For a recent discussion of "externalization," see Roy H. Ginsberg, Foreign Policy Actions of the European Community (Boulder: Lynne Rienner Publishers, 1989).

the mid-60s that led many scholars to express doubts about the early neofunctionalist theory. This included Haas himself, who had not foreseen what he now called "a rebirth of nationalism and anti-functional high politics" as represented by President de Gaulle. A revised theory would have to take account of "dramatic-political" aims of statesmen.[15] The crisis took the form of a conflict between the Commission of Walter Hallstein and the French President. The Treaty of Rome had foreseen the use of majority voting in the Council after two initial stages for agriculture (art. 43) and a transition period for commercial policy (art. 113). President De Gaulle was against this and sought a revision of the Treaty. At the same time the Commission put forward proposals which would have given the EEC its own financial resources and increased budgetary powers of the European Parliament. All this would have made the EEC too strong, too supranational, for General de Gaulle. He adopted the policy of the "empty chair" for seven months. France only returned to the Council of Ministers after the Luxembourg compromise of January 1966, where the Six member states at the time concurred to try to seek unanimous agreements whenever important interests were at stake. France maintained that "where very important interests are at stake the discussion must be continued until unanimous agreement is reached." Although the other five member states did not accept this latter point, unanimity became the rule. This was a real setback from the point of view of

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[15] Ernst B. Haas, "The Uniting of Europe and the Uniting of Latin America," Journal of Common Market Studies 5 (1867), pp. 315-343.

increasing the institutional capacity of the Community.[16]

In a much quoted article Stanley Hoffmann argued that the national situations and role perceptions were still too diverse within the EC. In general he argued:

> Every international system owes its inner logic and its unfolding to the diversity of domestic determinants, geo-historical situations, and outside aims among its units.[17]

So he contrasted the logic of integration with a logic of diversity. The latter sets limits to the degree to which the "spill-over" process can constrain the action of the governments. "It restricts the domain in which the logic of functional integration operates to the area of welfare." Hoffmann advanced the suggestion that, "in areas of key importance to the national interest, nations prefer the certainty, or the self-controlled uncertainty, of national self-reliance, to the uncontrolled uncertainty" of integration.[18]

Lindberg and Scheingold reformulated the neofunctionalist theory of integration to take account of political leadership,

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[16] William Nicoll and Trevor C. Salmon, Understanding the European Communities (London: Philip Allan, 1990), pp. 26-27.

[17] Stanley Hoffmann, "Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe," Daedalus 95 (Summer 1966), pp. 862-915, at p. 864.

[18] Ibid., p. 882.

or lack thereof.[19] This added a "volontaristic" element to the more deterministic early theory. Apart from functional spill-over they discussed three other integration mechanisms, viz. bargaining exchanges, actor socialization and feedback. It is the balance of these mechanisms in specific areas which explains the ups and downs of the integration process. But the trend, they believed, was one of increased integration over the longer term, i.e. expansion of the functional scope and improvement of the institutional capacity of the EC.

During the 1970s the EC experienced new problems, including shocks in the international monetary system and adjustments to increased energy prices. Surplus capacity in steel, textiles and chemicals demanded politically difficult structural changes. Unemployment ran high. "Eurosclerosis" became a much used term.[20] For some unexplained reasons, which may have implications for the sociology of knowledge, theoretically oriented scholars largely lost interest in European integration. This interest is only now reemerging as the Internal Market programme and the SEA reforms have given the EC a new momentum.[21]

It now looks as if the new momentum may take us further towards a Common Foreign and Security Policy (CFSP). If this is

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[19] Leon N. Lindberg and Stuart A. Scheingold, Europe's Would-Be Polity: Patterns of Change in the European Community (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1970).

[20] See for instance William Wallace, The Transformation of Western Europe (London: The Royal Institute of International Affairs and Pinter Publishers, 1990).

[21] See for instance Wayne Sandholtz and John Zysman, "1992: Recasting the European Bargain," World Politics 42 (October 1989), pp. 95-128.

confirmed by events this will raise new interesting theoretical questions. If neofunctionalism can mainly explain integration in the "low politics" area and realism the limits of integration in the "high politics" area what could explain advances towards a CFSP? Are we reaching the point where we should also revisit the theories of federalism? Then a prime candidate for consideration would be the theory of William Riker. This theory puts emphasis on the military-diplomatic origin of federal systems. It is an actor oriented theory. Political leaders strike the bargain of federalism to face external threats or to create the basis for playing an expanded international role.[22]

We summarize some of the distinctions used so far in fig. 1.

Fig. 1: Alternative Kinds of Cooperation and Integration

	Supranational integration	Intergovernmental cooperation
Low politics	EC (neofunctionalism) Haas/Lindberg	
High politics	CFSP (federalism) Riker	EPC (realism) Hoffmann

[22] William H. Riker, Federalism: Origin, Operation, Significance (Boston: Little, Brown, 1964). For a more detailed discussion see Finn Laursen, "Etudes fédéralistes aus Etats-Unis," L'Europe en formation, No. 190-192 (January-March 1976), pp. 181-199.

European Political Cooperation

Efforts to try to expand economic integration to political integration took place early on. First there was the ambitious attempt to create a European Defence Community (EDC) and a Political Union in the early 1950s. But the founding treaty of the EDC failed to get the ratification of the French National Assembly in 1954.[23] Even General de Gaulle wanted some political cooperation among the EEC member states, but of an intergovernmental kind, and negotiations, known as the Fouchet negotiations, about such cooperation did take place. "Supranationality," however, became an issue. Especially the Dutch feared that De Gaulle's emphasis on intergovernmentalism and circumvention of the Commission would weaken the Community in general. The talks broke down in 1962.[24] Clearly "high politics" constituted a dangerous area within the Community. And one can ask whether the integration dynamics at work in the "low politics" area could or can take the process into "high politics?"

After De Gaulle's resignation in 1969 the summit meeting at The Hague in December of that year decided for a continuation of

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[23] See for instance Major-General Edward Fursdon, The European Defence Community: A History (London: Macmillan Press, 1980).

[24] See for instance Susanne J. Bodenheimer, Political Union: A Microcosm of European Politics 1960-1966 (Leyden: A.W. Sijthoff, 1967). Both the EDC and the Fouchet plan are covered in Jean-Claude Masclet, Union Politique de l'Europe (Paris: PUF, 1973).

the integration process. Three key words were used: completion, deepening, and widening. This, inter alia opened for the first enlargement with the UK, Denmark and Ireland in 1973.

Another result of the summit at The Hague was the start of European Political Cooperation (EPC) in 1970. It was based on a report known as the Luxembourg Report, or the Davignon Report after the Belgian chairman of the committee that drafted it. EPC was from the beginning a rather informal cooperation among the member states. It provided for meetings of the Foreign Ministers twice a year and established a Political Committee of the political directors of foreign ministries and various working groups of experts. The objectives of EPC were "to ensure greater understanding with respect to the major issues of international politics, by exchanging information and consulting regularly" and to increase solidarity "by working for a harmonization of views, concertation of attitudes, and joint action when it appears feasible and desirable."[25] All in all, not too committing. After the Copenhagen report in 1973 ministerial meetings were increased to at least four every year. A group of correspondents and a telex network, COREU, were established. The London report of 1981 took things a little further. Crisis procedures were introduced. These allowed three member states to call meetings within forty-eight hours. It was also stated that "questions bearing on the political aspects of security" could now be discussed. The London report further established the "troika," which included the current Presidency as well as the preceding and succeeding Presidencies. Also, the Commission was now "fully associated"

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[25] Text in EC Bulletin, 11-1970, pp. 9-14.

with EPC "at all levels." A further small step was taken with the Solemn Declaration in Stuttgart in 1983. Now EPC could discuss "political and economic aspects of security."[26]

The New Momentum and External Relations

As we get into the mid-80s the integration process gets a new momentum. Although this was very much an internal matter to the extent that the Internal Market was a centrepiece of this momentum, it also had external implications.

The aim of the Internal Market programme is to realize the four freedoms, i.e. free movement of goods, services, capital and people by January 1993.[27] All this is mentioned in the SEA, which also stipulates that most Internal Market legislation will be adopted by qualified majority in the Council of Ministers.[28] This has clearly increased the institutional capacity of the EC in these areas, with the exception of tax harmonization and free movement of people, where unanimity is still applied in the Council. "Upgrading the common interest" has become easier. Decisions do not have to be based on "the lowest common

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[26] For an overview of these developments, see Panayiotis Ifestos, "European Political Cooperation (EPC): Its Evolution from 1970 to 1986, and the Single European Act," Revue d'intégration européenne 11 (1987), pp. 47-62.

[27] Commission of the EC, "Completing the Internal Market: White Paper from the Commission to the European Council," June 1985.

[28] "Single European Act," Bulletin of the European Communities, Supplement 2/86.

denominator,"[29] which would have been very problematic as the EC's membership expanded to 12 with the accessions of Spain and Portugal in 1986.

The external dimension was somewhat ignored during the Commission's early work on the Internal Market. This in itself contributed to a lot of uncertainty. Finally in the autumn of 1988 the Commission announced that Europe 1992 would be a World Partner. The Internal Market would also benefit non-Community countries; it would not mean protectionism; the Community would meet its international obligations, etc.[30] To what extent this will be the case remains to be seen. A number of actors do get involved in making the final decisions about this. The Council that makes the most important final decisions depends very much on the domestic politics of the member states. It is probably not an unrealistic prediction that there will continue to be pressures for protection in various policy areas in a number of member states.

Because of pressures for protection from specific industrial sectors in member states it is important that the European Council is also on record for saying that Europe 1992 will be a World Partner. As it was stated at the Rhodes summit in December 1988:

... the Single Market will be of benefit to Community

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[29] On these concepts, see Ernst B. Haas, "International Integration: The European and the Universal Process," International Organization 15 (Autumn 1961), pp. 366-392.

[30] "Europe 1992: Europe World Partner," Europe Documents No. 1530 (25 October 1988).

> and non-Community countries alike by ensuring continuing economic growth. The internal market will not close in on itself. 1992 Europe will be a partner and not a "fortress Europe". The internal market will be a decisive factor contributing to greater liberalization in international trade on the basis of the GATT principles of reciprocal and mutually advantageous arrangements. The Community will continue to participate actively in the GATT Uruguay Round, committed as it is to strengthen the multilateral trading system.[31]

The statement also included a commitment to "open and constructive dialogue and cooperation" with other regions and countries in the world. All in all the declaration from the Rhodes summit contained a rather clear statement of intent. The question, however, remains: How will the Community go about it? Can it deliver?

Seen from the outside the Community is not very liberal when it comes to agriculture, textiles and steel, just to mention the most obvious examples. The Community's recent effort to increase the number of European TV programs - read: limit the number of American programs - has not improved its image as an open and liberal Community. The Japanese see special problems, especially in respect to electronic goods. And, we know that they face national quotas for cars in some member states. What will happen to such quotas after 1992? Can we avoid Community quotas? How

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[31] Agence Europe, 4 December 1988, p. 4.

aggressively will anti-dumping policies be pursued? What will happen in respect to local content rules? The answer to these questions are still largely pending.[32] But it does look as if we are getting a Community quota for Japanese cars, and not a very generous one.[33] We might add that the fate of the Uruguay Round so far is not too promising. The capacity of the EC to reform its Common Agricultural Policy (CAP) severely limits what can be done.[34]

Because of uncertainties about access to the Internal Market the Community's European trading partners, especially the EFTA countries, have been very eager to get assurances from the Community in one form or another. In the case of the EFTA countries this has led to negotiations about the creation of a European Economic Area (EEA) which should include the four freedoms with only minor exceptions as well as some flanking policies.[35] However, the EC has not been able to offer the EFTA countries much influence on rule-making within such an area. Austria has therefore already applied for membership, and an

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[32] For a discussion of these issues, see Finn Laursen (ed.), Europe 1992: World Partner? The Internal Market and the World Political Economy (Maastricht: European Institute of Public Administration, 1991).

[33] "Brussels's unreal dominion," The Economist, May 4, 1991, pp. 19-20.

[34] For more on this, see Finn Laursen, "The European Community, GATT and the Uruguay Round," in Leon Hurwitz and Christian Lequesne (eds.), The State of the European Community: Politics, Institutions, and Debates in the Transition Years, 1989-1990 (Boulder: Lynne Riener Publishers, Inc., 1991, forthcoming).

[35] Finn Laursen, "The Community's Policy Towards EFTA: Regime Formation in the European Economic Space (EES)," Journal of Common Market Studies 28: 4 (June 1990), pp. 303-325.

application is expected from Sweden in the near future. Considerations about widening the membership of the EC will therefore constitute an important element in future Community politics. The wider the membership, the more crucial the decision rules will become. And if you allow formerly neutral countries as members, how will that affect the possibility of deepening integration in the foreign policy area?

The countries in Central and Eastern Europe are also seeking closer relations with the EC. They now have Trade and Cooperation Agreements and negotiations about association agreements have started. Most likely most of these countries will seek membership in a few years.

The SEA and Foreign Policy

The SEA gave EPC a treaty basis in Title III (article 30). The EC member states would "endeavour jointly to formulate and implement a European foreign policy." The Ministers for Foreign Affairs and a member of the Commission would meet at least four times a year within the framework of EPC. The Commission was to be "fully associated" and the European Parliament "closely associated" with EPC. The Parliament would be informed, and its views should be taken into consideration. However, it was the Presidency, coinciding with the country having the presidency in the EC Council, which would play the most important role:

The Presidency shall be responsible for initiating

> action and coordinating and representing the positions of the Member States in relations with third countries in respect of European Political Cooperation activities. It shall also be responsible for the management of Political Cooperation and in particular for drawing up the timetable of meetings and for convening and organizing meetings.[36]

A small secretariat was established in Brussels to assist the Presidency, which rotates every six months among the member states.

The question of including security policy in EPC had been controversial. The SEA said on this point that the member states

> ... 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.[37]

"Political and economic aspects of security," as mentioned earlier, were the terms already used in the Solemn Declaration on European Union adopted by the European Council in June 1983

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[36] Art. 30, para. 10 (b), "Single European Act," Bulletin of the European Communities Supplement 2/86, p. 19.

[37] Art. 30, para. 6 (a).

in Stuttgart.[38] The Stuttgart Declaration itself was the relatively meagre outcome of the Genscher-Colombo plan of 1981, which inter alia had called for a common foreign policy and coordination of security policy.[39] So, all in all, the SEA did not change matters much in respect to foreign and security policy. It specifically stated that nothing should impede closer cooperation in the field of security between certain member states within the Western European Union (WEU) and the Atlantic Alliance.[40] The WEU had seven members at the time, namely the original six members of the EC plus the United Kingdom. Later Spain and Portugal have joined. But three EC members, viz. Denmark, Greece, and Ireland, are still not members of the WEU; and one EC member, Ireland is not a member of NATO. This suggests the possibility , or necessity (?), of a two-speed Community when it comes to security policy, especially defence policy.

It should also be mentioned that the SEA increased the European Parliament's role in respect to future enlargements (art. 237) and association agreements (art. 238). In both cases the assent of the European Parliament is henceforth required.

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[38] The text is reproduced as Annex 2 in J.K. De Vree, P. Coffey and R.H. Lauwaars (eds.), Towards a European Foreign Policy: Legal, Economic and Political Dimensions (Dordrecht: Martinus Nijhoff Publishers, 1987), pp. 361-370.

[39] The text is included in Pauline Neville-Jones, "The Genscher/Colombo Proposals on European Union," Common Market Law Review 20 (1983), pp. 657-699; See also Joseph H.H. Weiler, "The Genscher-Colombo Draft European Act: The Politics of Indecision," Revue d'intégration européenne 6 (Winter-spring 1983), pp. 129-153.

[40] Art. 30, para. 6(c).

This can well become of significant importance in the future.[41]

Towards a Common Foreign and Security Policy?

Despite the limits of EPC so far - or maybe because of it - the idea of a Common Foreign and Security Policy (CFSP) keeps reappearing. The year 1989 was a year of revolutionary changes in the European political landscape, especially in Eastern and Central Europe. These changes, symbolized by the fall of the Berlin wall, have lead to the unification of Germany in the autumn of 1990 and the abolition of the Warsaw Pact in the spring of 1991. These external events, as well as the Gulf Crisis and War in early 1991, were bound to affect thinking within the EC about its external role. To that should be added internal dynamics of change. The work to complete the Internal Market has had an important spill-over effect, namely the call for Economic and Monetary Union (EMU). "One Market, One Money" is one of the new slogans.[42] But can you create an EMU without looking at other institutional issues within the EC? And will an EMU not have external effects?

The new impetus for integration in many ways had its origin in the monetary field. It was at the Hannover meeting of the

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[41] Henri Froment-Meurice and Peter Ludlow, "Towards a European Foreign Policy," in Governing Europe. 1989 Annual Conference Proceedings, Vol. II (Brussels: Centre for European Policy Studies, 1990), pp. 13-14.

[42] Title of report, "One market, one money: An evaluation of the potential benefits and costs of forming an economic and monetary union," European Economy No. 44 (October 1990). Chapter 7 deals with the external dimensions.

European Council in June 1988 that a committee was established to study "the objective of progressive realization of economic and monetary union." This committee, chaired by Jacques Delors, President of the European Commission, produced a report in 1989.[43] On the basis of this report, it was decided at the meeting of the European Council in Strasbourg, December 1989, to call an Intergovernmental Conference (IGC) to consider the realization of Economic and Monetary Union (EMU).[44]

The idea of having a second Intergovernmental Conference on European Political Union (EPU) emerged soon afterwards. It was discussed at an extraordinary meeting of the European Council in Dublin in April 1990, at the initiative of President Mitterrand and Chancellor Kohl, and confirmed by the meeting of the European Council in Dublin in June 1990.[45]

The agenda of the IGC on Political Union, which is now under way, focuses on five big themes:

(1) democratic legitimacy,

(2) common foreign and security policy, including a certain identity in defence policy,

(3) European citizenship,

(4) new common policies, such as health, education, culture, and

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[43] Committee for the Study of Economic and Monetary Union, Report on economic and monetary union in the European Community (Luxembourg, Office for the Publications of the European Communities, 1989).

[44] Agence Europe 9 December 1989; see also Hubert Vedrine et Jean Musitelli, "Les changements des années 1989-1990 et l'Europe de la prochaine décennie," Politique étrangère 56: 1 (Printemps 1991), pp. 165-177, at p. 168.

[45] "Conclusions of the European Council Dublin 25 and 26 June 1990," Europe Documents No. 1632/1633 (29 June 1990).

improvement of existing policies, such as environment and social policy,

(5) improving the effectiveness and efficiency of the EC.[46]

It is of course risky to offer predictions. But it is likely that the outcome will be a further enhancement of the role of the European Parliament to deal with the democratic deficit, although the Parliament will probably not get powers comparable to those of most national parliaments at this stage. But some kind of co-decision, as now proposed by the Commission, could possibly be the outcome, although the British and Danes still seem to oppose it. The scope of the EC will clearly be expanded and there will be some increased use of qualified majority decisions in the Council.

Most interesting from the point of view of this paper is what will happen in the areas of foreign and security policy. There is a wide-spread awareness of the weakness of the current EPC. The Gulf Crisis in particular showed that EPC is insufficient, if the EC wants to be able to defend its interests and have an impact on international events. There was no European contribution to the Gulf War as such, only individual national contributions, especially from the UK and France. The newly united Germany was completely absent, although it contributed financially to the war effort. In the end there was no real

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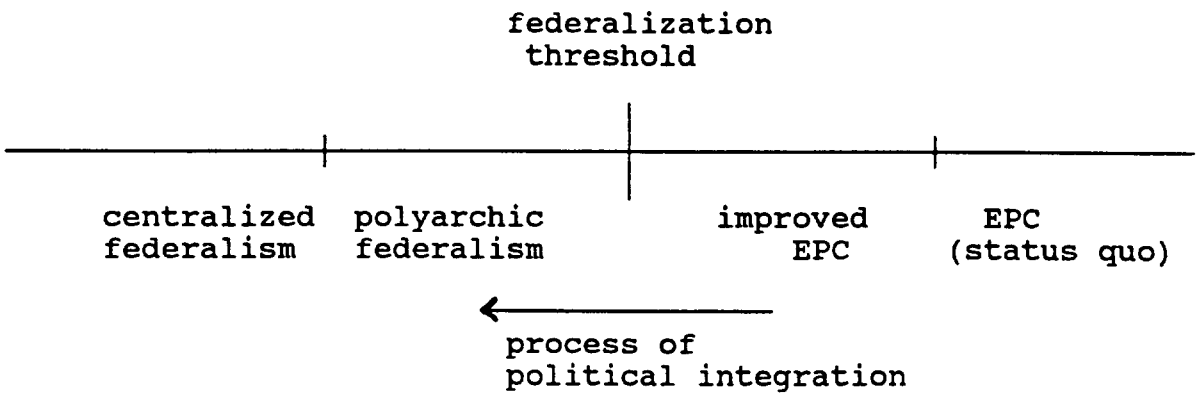
[46] For this part the author has benefitted from the following lectures given at seminars organized by the European Institute of Public Administration: Nicolas Schmit, "The Intergovernmental Conference on Political Union: A View from the Luxembourg Presidency," 4 April, 1991; David Martin, "Towards a Political Union," 23 April 1991; and Giovanni Jannuzzi and Diarmid Williams, "Towards a Common Foreign and Security Policy in the EC," 25 April, 1991.

European impact. Iraq refused to meet the EPC troika, which was found rather insulting in Community circles.

What then are the options? Limiting ourselves to the area of foreign and security policy these can be arranged on a continuum from status quo to a fully fledged federal solution. The federal solution would mean one single foreign and security policy. To get that you would also need a single decision unit. Status quo means EPC as it exists and no common security policy. In between you can imagine various improvements in EPC and movements towards elements of a common security policy, possibly through developing the WEU as the security arm of EPC. Further in the direction of the federal solution you would have various quasi- or pre-federal solutions. The decisive steps in direction of federalism are the acceptance of majority voting in the Council and an active role of an independent EC body, like the Commission, in initiating policy and representing the EC abroad in foreign and security policy. From our perspective these steps constitute a federalization threshold (see fig. 2).

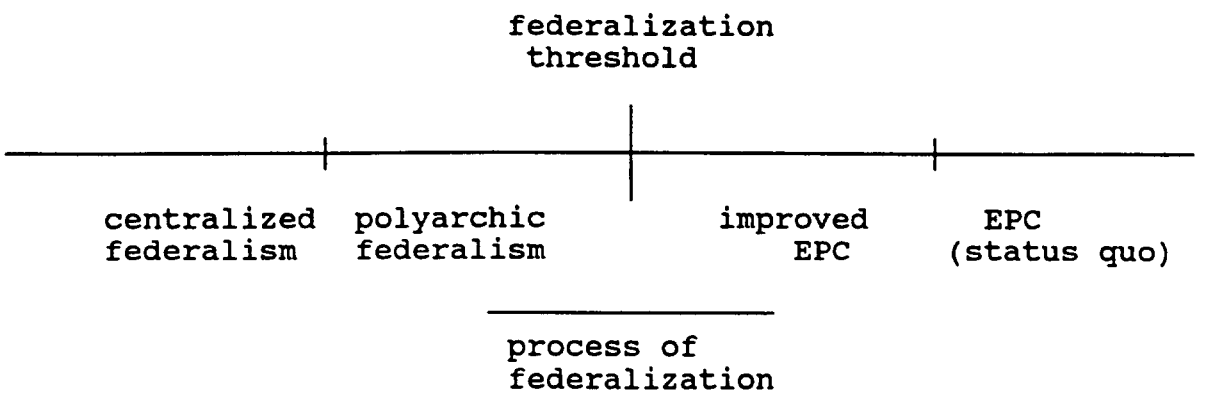
Fig. 2 Phases of Common Foreign Policy



European impact. Iraq refused to meet the EPC troika, which was found rather insulting in Community circles.

What then are the options? Limiting ourselves to the area of foreign and security policy these can be arranged on a continuum from status quo to a fully fledged federal solution. The federal solution would mean one single foreign and security policy. To get that you would also need a single decision unit. Status quo means EPC as it exists and no common security policy. In between you can imagine various improvements in EPC and movements towards elements of a common security policy, possibly through developing the WEU as the security arm of EPC. Further in the direction of the federal solution you would have various quasi- or pre-federal solutions. The decisive steps in direction of federalism are the acceptance of majority voting in the Council and an active role of an independent EC body, like the Commission, in initiating policy and representing the EC abroad in foreign and security policy. From our perspective these steps constitute a federalization threshold (see fig. 2).

Fig. 2



The prevailing idea at the moment is to go beyond the current set-up (art. 30 of the SEA) through a step-by-step process. The objective is gradually to bring the EC and EPC together. One possible way to do this is to have the European Council decide areas that are ready for a common foreign policy and then develop a coherent policy for these. This could start with just a few areas, such as for instance the Conference on Security and Cooperation in Europe (CSCE), where EPC already has had a certain degree of success. The mechanisms for making foreign policy would change, too. There are proposals to give the Commission a non-exclusive role of initiative now. More controversial, and not yet discussed is the issue of some special kind of majority voting in the Council of Ministers once an area has been defined as an area of common policy. The Commission has proposed a reinforced qualified majority, which, apart from following the existing rules of qualified majority would further have to satisfy the condition that at least eight member states vote in favour of a proposal.[47] This would be an important change, if it were to be adopted. This would move us over the federalization threshold as here defined. It would take the EC's CFSP into what is referred to as polyarchic federalism in fig. 2.[48]

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[47] "Political Union: Commission Proposals at the IGC regarding 'Common External Policy'," Europe Documents No. 1697/98, 7 March 1991.

[48] The concept of polyarchic federalism was suggested by Enrico Martial in discussions of EIPA's study group on political union. In traditional federal states foreign policy has usually been the exclusive competence of the federal government. What is foreseen here is a shared competence in foreign policy with certain policy areas transferred to the new Political Union, but many areas remaining national.

Once you have defined some areas as areas of common foreign policy spill-over is likely to set in. You cannot easily separate foreign policy from security policy. And once you get into security policy you also need to discuss defence policy. Certainly when you discuss Europe's future political architecture it includes security. France especially considers this important, partly because of the old idea of making sure that Germany is integrated in a wider system.

France and Germany have published joint proposals to the IGC on European security policy.[49] Such policy should have the "aim of setting up a common European defence system in due course without which the construction of European Union would remain incomplete." More specifically it is proposed to drop the SEA's limitation to "political and economic aspects of security." But the commitments within NATO should not be questioned. The two countries find that the Alliance is important, and "a permanent US military presence in Europe, remains indispensable for European security and stability." For the moment the proposal is to use the WEU, which "would become the cooperation channel between Political Union and NATO." One of the advantages of the WEU is that it "associates foreign affairs and defence representatives." The proposals also say that "a European identity for security and defence should be reflected in the development of a European pillar within the Alliance."

According to the Franco-German proposals "the European

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[49] "European Security Policy: Franco-German Proposals at the Intergovernmental Conference of the Twelve on Political Union (updated edition)," Europe Documents, No. 1690bis, 21 February 1991.

Council should have the jurisdiction to decide what areas of security policy should be the subject of a common policy." It explicitly listed four areas:

(1) Disarmament and control of armaments in Europe,

(2) Security questions, including peace-keeping measures in the context of the United Nations,

(3) Nuclear non-proliferation,

(4) Economic aspects of security, namely cooperation concerning armaments as well as the control of arms exports.

More specifically about the WEU it was stated that "the obligation of aid and assistance in accordance with the Treaty of Brussels should be maintained for as long as no other equivalent commitment exists between Political Union Member States." It was also suggested that "it could be desirable to transfer WEU administrative divisions to Brussels."

So, it looks as if the EC is slowly moving towards elements of a common foreign and security policy. But what will it all add up to?

Civilian Power or Superpower?

In discussions about the EC's international role during the early 1970s two opposite views emerged. On one hand the concept of the Community as a civilian power was suggested by François Duchêne. If the east-west security balance could be maintained and de-emphasized, then Europe could become

> ... the first major area of the Old World where the age-old process of war and indirect violence could be translated into something more in tune with the twentieth-century citizen's notion of civilized politics. In such a context, Western Europe could in a sense be the first of the world's civilian centres of power.[50]

Duchêne argued that it was very unlikely that the EC would become a major military power. Especially, the likelihood of a European nuclear deterrent was remote. But a civilian power, based at that time on a fifth of world production and a third of world trade, could play an important and "potentially constructive role" in trying to shape the international milieu away from myopic ideas of "empire and prestige." Or, as he put it in another article:

> ... the European Community will only make the most of its opportunities if it remains true to its inner characteristics. These are primarily: civilian ends and means, and a built-in sense of collective action, which in turn express, however imperfectly, social values of equality, justice and tolerance.[51]

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[50] François Duchêne, "Europe's Role in World Peace," in Richard Mayne (ed.), Europe Tomorrow (London, Fontana/Collins, 1972), p. 43.

[51] François Duchêne, "The European Community and the Uncertainties of Interdependence," in Max Kohnstamm and Wolfgang Hager (eds.), A Nation Writ Large? Foreign Policy Problems before the European Community (London: Macmillan, 1973), p. 20.

Not everybody agreed with the prediction that the EC would not become a major military power. Norwegian peace researcher Johan Galtung published his book, The European Community: A Superpower in the Making, in 1973.[52] There was no question mark after the subtitle, but the author, as a good social scientist, did admit in the preface that "the future is uncertain." What he feared was a pax bruxellana characterized by old power politics of divide et impera. He foresaw policies of exploitation, fragmentation, and penetration instead of policies of solidarity, equity, and autonomy.

One can of course discuss past and future EC policies from Galtung's point of view. Were the Lomé Conventions of the EC with former European colonies in Africa, the Caribbean and the Pacific really of such neo-imperialist nature? EC spokesmen would deny this. But the question is difficult for the independent scholar because of the value connotations and difficult measurement problems in connection with the suggested concepts. How does one for instance measure "exploitation?" It seems to us that Galtung overstated the argument. If we look at the situation today we notice that Eastern and Central Europe have turned towards the EC for help to develop without "exploitation, fragmentation and penetration," terms that describe their former relation with the USSR quite well, but, we would hope, not their emerging relations with the EC. Are there risks in negotiating association agreements with the EC for Eastern and Central Europe? In a way,

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[52] Johan Galtung, The European Community: A Superpower in the Making (London: George Allen & Unwin, 1973). The book first appeared in Norwegian and Danish and played an important role in the referendum debates in those two countries in 1972.

this question raises the wider question whether one can imagine a benign superpower, if the EC were to develop in that direction?

Recently Johan Galtung has maintained his thesis that "superpower status for the European Community is in the cards." He now stated five reasons why he believed in this scenario:

(1) the EC leaders themselves want it this way,

(2) the configuration is shouting, even crying: complete me!

(3) this is what they know how to do,

(4) the skills and knowledge at the conscious level are supplemented by the underlying code, the social cosmology embedded in their collective subconscious (referred to as a European mystique),

(5) the skilful administration of challenges along the road; to the point of needing, even creating enemies for internal cohesion.[53]

Galtung's prediction is at least as "deterministic" as early neofunctionalist integration theory. It is a courageous one, especially because so many other scholars and observers have concluded that the Community will remain weak politically. What do we then make of the conflicting theses? If we look at the ongoing process of negotiations within the second IGC on Political Union, and keep the neofunctionalist integration theory in mind, it does look as if spill-over is working. Both the Internal Market and EMU have external implications. We are most likely moving towards an improved capacity of the EC to develop

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[53] Johan Galtung, Europe in the Making (New York: Crane Russak, 1989), pp. 22-31.

a common foreign and security policy. The decline of the two traditional superpowers, the USSR and the USA, has created a kind of vacuum in Europe. The Paris summit of the big Seven industrial countries in June 1989 assigned the Commission the role as coordinator of aid to Eastern and Central European countries. That was an important event. It recognized a new international role for the EC in assisting the Eastern European countries in their process of democratisation and development of market economies. On the other hand, however, the Gulf Crisis has reminded everybody that the EC, although an economic giant, is still a political dwarf. The realization of this has created pressures for also dealing with security policy at the Community level.[54] But there is still resistance against this idea.

Recently the Luxembourg Presidency has presented a draft on foreign and security policy to the IGC on political union. Presumably this represents what the Presidency sees as realistically possible at this stage. This draft, although admitting a non-exclusive role of initiative for the Commission, still maintains the central role for the Presidency in managing foreign and security policy. External representation would be assured by the Presidency, but assisted by the Commission. However, the draft does foresee some kind of majority voting in the Council in areas of common action, but this majority is not defined. The areas that could become areas of common action from the beginning include industrial and technological cooperation

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[54] See for instance, Philippe Moreau Defarges, "Communauté européenne et ordre européen," Politique étrangère 56: 1 (Printemps 1991), pp. 71-79; and Frédéric Bozo et Jérôme Paolini, "L'Europe entre elle-même et le Golfe," Politique étrangère 56: 1 (Printemps 1991), pp. 179-192.

in the armaments area, transfer of military technology, non-proliferation, arms control, peace-keeping actions within the UN, and participation in humanitarian actions abroad. Nothing is mentioned about a common army or deterrent force.[55]

It thus looks as if the EC is about embarking on a common foreign and security policy. But this will clearly be a gradual and slow process. The verdict, therefore, is somewhat mixed. The process of integration will continue - with ups and downs. Some institutional improvements will have to be adopted now before further enlargements - with Austria, Sweden, etc. - in the mid-1990s. Pressures for a common foreign and security policy will continue and EPC will eventually be merged with the EC, but the "logic of diversity" will remain a powerful brake on major advances in the area of "high politics." At best we are moving towards a very decentralized federal system (polyarchic federalism) for some areas of common action. But such system can then become the stage for further learning and federalism may well be expanded to include more areas in a few years. For the moment it looks as if defence policy cooperation will remain intergovernmental within NATO and WEU for some years to come.

The question of enlargements in the future is obviously an important element that must to be taken into consideration. In the longer run it will be politically difficult to say no to EFTA countries and the most developed countries in Central and Eastern Europe when they apply for membership. Many political actors in the EC see further deepening of integration as a precondition of

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[55] "Union Politique: Pour une politique étrangère et de sécurité commune," Europe Documents No. 1706, 16 April 1991.

enlargement. Without improved decision-making a Community with for instance twenty members will easily be paralysed, and disintegration may follow. This would not be in anybody's interest.

The EC's relations with the United States are also important for its future. Here there is a possible future development which could speed up the process of political integration, namely a decision in Washington to withdraw militarily from Europe. This would force the Europeans to think more about their own defence. Although the USSR is not at the moment perceived as a great threat, European decision-makers are well aware of the domestic problems in the USSR, which make the future of that country very uncertain. There are also problems in the Balkans. It is therefore felt by many that a defence capability must be maintained in Western Europe. This is why most Europeans want the NATO alliance to remain an important element in the future international system. But as long as it keeps existing there will be less pressure on the EC to create a common defence policy.

Were our prediction of a very decentralized federal future for the EC, with some elements of intergovernmentalism remaining, to materialize, would it be a good or a bad thing? We would expect both a plus side and a minus side. On the minus side, we do not think that this kind of decentralized political union will always be capable of defending collective European interests in the world. On the plus side, we do believe that it can create an island of peace and prosperity in Europe. Needless to say that we hope that this future Political Community will be open and liberal and have the courage and capacity to contribute to

"solidarity, equity, and autonomy" in the world. A more powerful Community will not necessarily repeat past mistakes, although the risk exists. Much will depend on the cognitive capacity of decision-makers and the vigilance of various political groups in our pluralistic societies.