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INTRODUCTION TO THE

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EUROPEAN COMMUNITY

UNION?

DESMOND DINAN

EVER CLOSER UNION?

An Introduction to the
European Community

Desmond Dinan

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Acknowledgments

Having taught courses on the European Community (EC)—the core of the European Union established by the Maastricht Treaty—for a number of years, I wanted to write an introduction to the subject for students, academics, and policymakers about to begin work on the EC, as well as for interested lay readers. Above all, I sought to provide a comprehensive, readable synthesis of the Community's history, institutions, and policies, based on accessible (hence, for my audience, mostly English-language) sources. Lynne Rienner, who has done so much to advance EC studies in the United States, had the same idea, as did Peter Doyle, director of press and public affairs of the EC's delegation in Washington. I am extremely grateful to both for their encouragement. Indeed, this book was made possible in part by a generous research grant from the Delegation of the Commission of the European Communities in the United States.

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D.D.

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Introduction

The European Community (EC) directly affects the daily lives of most of its twelve member states' inhabitants. Travelers stand in "EC citizen" lines at airports, clutching burgundy-colored EC passports. Students participate in EC-sponsored university exchange agreements. Farmers depend on the EC's Common Agricultural Policy (CAP) for their livelihoods. Businesspeople examine the latest rules and regulations from the EC's headquarters in Brussels before devising manufacturing and marketing strategies. Millions of unemployed Europeans take EC-funded training courses. Throughout the Community, women enjoy equality in the workplace because of landmark decisions in the EC's Court of Justice.

The Community has rarely been out of the news since the mid-1980s, when it launched a program to establish a single market—in which goods, people, capital, and services could move freely across member states' frontiers—by the end of 1992. The single market program, in turn, revived interest in Economic and Monetary Union (EMU), a long-cherished Community objective. Events in 1989 and 1990—revolution in Eastern Europe, the collapse of the Berlin Wall, and German unification—focused attention also on European Political Union (EPU), including a common foreign and security policy. By incorporating both EMU and EPU, the 1992 Maastricht Treaty was a decisive step on the road to "ever closer union," an aspiration first expressed thirty-five years previously in the Treaty of Rome, the European Community's founding charter.

Under the terms of the Maastricht Treaty, a European Union now officially exists (indeed, the formal title of the Maastricht Treaty is the "Treaty on European Union"). The Union established by the Maastricht Treaty is based on three pillars: amendments to the treaties that founded the European Coal and Steel Community (ECSC), the European Economic Community (EEC), and the European Atomic Energy Community (Euratom); a Common Foreign and Security Policy; and cooperation in the

sphere of justice and home affairs. Of the three communities, the EEC is by far the most important. Moreover, the Maastricht Treaty officially replaced the term European Economic Community with the more familiar European Community, a term already widely used to describe both the EEC individually, and the EEC, ECSC, and Euratom collectively. The EC is the essence of the new European Union.

The EC's pervasiveness tends to obscure its uniqueness and relative newness. The voluntary sharing of sovereignty by nation-states—the ever closer union envisioned in the treaties of Rome and Maastricht and implicit in the term “European integration”—is unprecedented in modern history. Before World War II, the kind of European Community with which we are so familiar today was a pipe dream. Nations jealously guarded their sovereignty (national authority) and cooperated only on the basis of intergovernmental agreement. Less than fifty years ago, France and Germany were implacable enemies.

The change in political opinion and behavior that brought the EC into existence owed much to the destructiveness of World War II and the virulent nationalism that preceded it, as well as the complexity of economic, social, and political life that followed. To a great extent, the EC was a security system for Western Europe. Its first manifestation, the European Coal and Steel Community (ECSC), emerged in 1952 in response to an urgent need both to rehabilitate defeated Germany and to allay understandable French security concerns, all in a radically altered international economic environment. Coal and steel lay at the core of both countries' economic systems and war-making potential. By establishing a supranational entity to manage the coal and steel sectors, the ECSC's six member states (France, Germany, Italy, Belgium, the Netherlands, and Luxembourg) became so closely intertwined that a future war between them soon appeared unthinkable and impossible.

For Jean Monnet, a senior French official who pioneered the idea of sectoral economic integration, the ECSC was not an end in itself but part of a process that would culminate in a European federation transcending the nation-state.¹ Such a goal was inherent in the word “community,” which distinguished the new arrangement from traditional forms of intergovernmental collaboration and international organization. The ECSC was supranational as well as transnational: It engaged in activities that cut across national boundaries and included a High Authority (the forerunner of the European Commission) with power to make decisions at a level above that of national governments.

Integration indeed progressed. The functionally broader European Economic Community (EEC) followed in the wake of the ECSC, and initially it prospered politically as well as economically. But French President Charles de Gaulle's inflexible opposition to supranationalism caused a reassessment of earlier, optimistic thinking about the supposedly

inexorable nature of European integration. Ideological and political battles in the mid-1960s emphasized an apparent dichotomy between intergovernmentalism and supranationalism, between the supposed decline of the nation-state and the putative rise of a European federation.

In reality, intergovernmentalism and supranationalism are not irreconcilable; rather, they jointly characterize the European Community. Community member states are willing to share sovereignty in certain areas because, quite simply, it is in their national interest to do so. Put negatively, in an age of rapid technological and commercial change, national governments are unable to act independently to maximize their citizens' welfare. Although willing to share sovereignty, however, governments retain as much political control as possible.² Hence the Community's peculiar institutional and legislative structure: In very few cases the European Commission (the Community's executive body) has sovereign authority, but in most areas it is relatively powerless; in some cases government ministers are willing to be outvoted in the Council of Ministers (the Community's decisionmaking body); in others they retain a national veto over proposed Community decisions.

The 1986 Single European Act (SEA) is a striking example of how member states reconcile intergovernmentalism and supranationalism in relation to the Community's functional scope and institutional structure. By the mid-1980s, the Community had enlarged from the original six ECSC member states to include the United Kingdom, Denmark, Ireland, Greece, Portugal, and Spain. Earlier in the decade, ideological, technological, and economic developments convinced member states to achieve a single, barrier-free market by the end of 1992 and to buttress the Community marketplace in associated areas, such as social, environmental, and industrial policy. Although the SEA broadened the Community's functional scope, it did not extend the Community's activities beyond the obligations of the Treaty of Rome. Similarly, member states agreed to enhance the Community's limited supranational authority only to the extent necessary to achieve the SEA's goals.

The 1992 Maastricht Treaty saw an extension of Community competence, most notably in the area of EMU. Member states considered EMU a corollary of the successful single market program and wanted to end de facto German dominance of the existing European Monetary System (EMS). Their response was a supranational structure for monetary policymaking in the Community worthy of a federalist such as Jean Monnet.

By contrast, the Common Foreign and Security Policy (CFSP) enshrined in the Maastricht Treaty clearly shows the limits of supranationalism. Not least because of German unification, governments concurred during the Maastricht negotiations on the necessity of closer foreign policy and security cooperation. But they failed to share national sovereignty over those areas. Thus, the high political issues of foreign, security, and,

ultimately, defense cooperation were consigned to a separate “pillar” outside the Community system, subject to intergovernmental agreement.

The fate of the Maastricht Treaty also demonstrated the limits of European integration. In 1993 the single market reached completion. Simultaneously, however, growing popular concern about further loss of sovereignty and about secretive and undemocratic decisionmaking in Brussels—compounded by creeping economic recession, the high cost of German unification, and intense frustration over the Community’s inability to broker a lasting cease-fire in Yugoslavia—shook confidence in the Community’s future. Failure to ratify the Maastricht Treaty by the end of 1992 epitomized for many a deep Community crisis.

Clearly there is much popular concern about policy formulation and decisionmaking in the Community. People in the Community perceive a huge democratic deficit: The Commission, headquartered in Brussels, appears remote and democratically unaccountable, and national governments seemingly run the Community like a cartel. The crisis revealed genuine concern about further loss of national sovereignty, proving that popular acquiescence in a major transformation of the Community system cannot be taken for granted. In response, the Community developed the imprecise principle of “subsidiarity” (a federalist-type doctrine to delineate the proper level at which decisions should be made—either in Brussels or in national capitals) and promoted openness and transparency in the Community’s legislative process.

At the heart of the ratification debacle lay doubts about the Community’s relevance in the post-Cold War world. What was the EC’s feasibility and utility in a radically altered international environment? From the outset, the Community had considered itself synonymous with “Europe.” With the Cold War over, could the Community foster a sense of pan-European solidarity and a genuinely all-European integration? Despite the Commission’s leadership of the Eastern European assistance effort, by 1992 the Community’s *Ostpolitik* seemed to have lost direction. The opening of enlargement negotiations with Austria, Sweden, Finland, and Norway in 1993 raised the perennial question of whether “wider” would also mean “weaker.”

It is easy to exaggerate the Community’s difficulties in the post-Maastricht period, although serious problems undoubtedly exist. Yet the notion of a Community in crisis could be misleading and need not be entirely disadvantageous. The history of the Community’s development is a history of overcoming crises: the crisis of German reconstruction in the late 1940s, leading to the European Coal and Steel Community; the European Defense Community crisis in the mid-1950s, leading to the “re-launch” of European integration; the crisis of declining competitiveness and decisionmaking paralysis in the 1970s and early 1980s, leading to the SEA; and the crisis of German unification in the late 1980s, leading to the Maastricht Treaty.

Whether or not the Maastricht ratification crisis triggers the kind of revival and transformation that followed other crises in the Community's history, the political and economic setbacks of 1992 and 1993 hardly represent a threat to the Community's survival. There is no talk of dismantling the single market or of systematically rolling back existing levels of integration. Moreover, the Community has a long list of applicant and potential-applicant countries waiting to open enlargement negotiations or to apply for membership. A more pertinent concern relates to the Community's functional scope: Will it finally become a "high politics" Community? Regardless of the impact of economic recession and currency turmoil on EMU, is there sufficient popular support for a single European currency? Will member states use the planned 1996 treaty negotiations to bring the CFSP squarely within the Community framework? Will they give substance to the "eventual" Common Defense Policy?

Whatever happens, the EC will continue to have a direct impact on the everyday lives of over 300 million people. The Community is an inextricable part of the political process, economic organization, and social structure in Western Europe today. For that reason alone, it is imperative to understand why the Community exists, how it came about, what it does, and how it works. Accordingly, this book attempts to provide a comprehensive introduction to the Community's history, institutions, and policies so that readers will appreciate the full extent, complexity, and significance of European integration, and realize the extraordinary impact that the Community has had, and continues to have, on political, social, and economic developments inside and outside its borders.

NOTES

1. For a theoretical explanation of Monnet's goals and aspirations, see Ernst Haas, *The Uniting of Europe: Political, Social and Economic Forces, 1950-57* (Stanford: Stanford University Press, 1958); Leon Lindberg, *The Political Dynamics of Economic Integration* (Stanford: Stanford University Press, 1963); and Leon Lindberg and Stuart Scheingold, *Europe's Would-Be Polity* (Englewood Cliffs, NJ: Prentice-Hall, 1970).

2. On the relationship between supranationalism and intergovernmentalism in the Community's history, see Alan Milward, *The European Rescue of the Nation State* (Berkeley: University of California Press, 1992).

PART I

History
