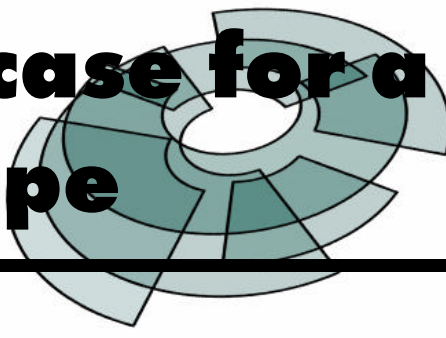


The case for a federal Europe



By John Pinder

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Clarity is needed about a concept that has been so much abused in British politics. A federal polity is simply one with democratic government at two or more levels, where states give powers to a federal government to deal with their common affairs but retain those that concern their internal affairs. The institutions at both levels are based on representative government, the rule of law, and citizens' rights, with the division of powers between the states and the union constitutionally guaranteed. This essay argues that the British interest lies in a European Union with a democratic federal government.

This builds on what exists. The Union has already moved quite far in a federal direction. Its institutions have been able to shoulder its responsibilities in the economy and the environment precisely because of the steps taken to give them federal elements at intervals during the past half-century.

"The British interest lies in a European Union with a democratic federal government"

The cynical description of the process as a slippery slope is the opposite of the truth. Each step has been hard to take, but agreed

by the member states to enable the Union to provide benefits for the citizens that they cannot provide separately.

The EU and its pre-federal institutions

The rule of law is fundamental in the EU. The Court of Justice has ensured that the law of the European Community, which is the heart of the EU, is observed. The result has been a shift from power-based to law-based relations between the several states, across the broad range of Community competences: a major contribution to making war between them unthinkable.

"The rule of law is fundamental in the EU."

The legislature of the EU, like that of a federation, comprises a house of the states and a house of the citizens, responsible for enacting the laws and controlling the Commission. The directly elected European Parliament is halfway towards having the powers of a federal house of the citizens: it co-decides, with the Council of Ministers, over half of the legislation and the budget; and it was the Parliament, not the Council, that used its powers to secure the resignation of the

Commission in March 1999. But instead of conveying a clear message to the citizens that laws are enacted and the budget approved by both the Parliament and the Council, the system is a maze of complicated procedures; and instead of explaining to the public the importance of the Parliament to European democracy, political leaders tend to disparage or ignore it.

"The federal elements in the EU institutions have enabled them to function to the benefit of the states and citizens."

The Council of Ministers is closer to having the powers of a federal house of the states, but, unlike any democratic legislature, it enacts the legislation behind closed doors and is still distinguished by the fairly extensive scope for the veto. It also retains executive powers not proper to a legislature, without being accountable to any other institution for that part of its work: a concentration of legislative and executive powers that flouts the principles of liberal democracy.

The Council's executive powers impair the Commission's ability to ensure the execution of the EU's laws, which it has shown itself well able to do in a field such as



competition policy, where it has been given full responsibility. It has many attributes of a federal executive, but will not be fully effective unless it is given such powers across the board, subject to accountability to the legislature.

The federal elements in the EU institutions have enabled them to function to the benefit of the states and citizens. But if their interests are to be adequately served by a Union that will be enlarged to include 30 states or more, these federal elements will have to be strengthened.

The EC and its federal competences

If "closer integration" means more effective and democratic institutions, we need it. But if it refers to further powers in the Union's main fields of activity, which are the economy and the environment, not much more is required.

"The single currency gives the Union the potential to balance the US in the world financial system."

The single market provides the framework for a modern market economy, and the external trade policy has made the Union an equal partner of the US in the world trade system. The single currency, though weakened by Britain's opt-out, goes far to complete the single market and gives the Union the potential to balance the US in the world financial system. The modest

budget finances the Union as it stands at present, though more may be needed to respond to enlargement and growing external responsibilities. Over 200 laws deal with the cross-border problems of environmental pollution and the Union plays a leading part in international negotiations on global warming. So it has the potential to deal with the common interests of its states and citizens in these fields.

"Where the states can manage their own affairs effectively, the EU has no business to intervene."

The other main field in which the member states lack the capacity for effective separate action is defence, where big responsibilities would be a competence too far for the Union, at least for now. NATO functions because of American hegemonic leadership, but there is no such hegemony among the European states. They can operate on a modest scale with instruments such as the Rapid Reaction Force. But they could give the Union major responsibility for defence only when it has developed solid and tested democratic institutions. Until such time, it can become a federal polity, but not a federal state.

Where the states can manage their own affairs effectively, the EU has no business to intervene. Central to this area is the welfare state, where the Union has generally not sought to interfere, though it has been given some

minor powers in education, public health, and cultural affairs that should be returned to the states.

Thus a federal EU would not require much by way of additional competences, save in the field of external security, where its responsibilities could be developed by stages over a substantial period.

The alternative is dependence, not independence.

The alternative to a federal Europe, capable of acting on behalf of its states and citizens, is dependence on America, insofar as we are lucky, and on impersonal or less benign external forces, insofar as we are not - though we British have the option of dependence on a federal Europe if our neighbours succeed in federating without us.

"The alternative is dependence, not independence."

Domination by a single superpower, even by a democracy such as the US, creates a highly unstable world, good neither for the Americans nor for the rest of us; and it will be followed by a yet more unstable bipolarity between the US and China, unless a partnership between the US and a federal Europe is developed first, strong enough to underpin global institutions as the basis for a stable world order.

Tony Blair's call for the EU to become "a superpower but not a





superstate" is less fanciful than it may sound. The EU, with its quasi-federal arrangements for external trade, is already as great a trading power as the US. The euro gives it the potential for a similar role in the international monetary system, as it also has in the field of the environment. In defence the US will long remain supreme, though the EU can perform an increasingly important complementary role. But the Union can be an effective superpower in most other respects, provided that the federal elements in its institutions are strengthened.

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The inter-governmentalist approach, treating the European Parliament and the Court of Justice as spare wheels and the Commission as a secretariat for an all-powerful Council of Ministers, cannot deliver an EU with the necessary stability and strength. Its advocates may believe themselves to be realists. But how can it be realistic to suppose that a hydra-headed collection of representatives of governments of up to 30 or more states can properly manage the Union's affairs?

The democratic political systems of all those states will be centrifugal forces, pulling the Union apart at difficult moments in national or Union affairs, unless

the Union itself is also endowed with a democratic system that can attract the citizens' support, alongside the commitment to their state.

"The horse-trading in Brussels is insufficiently accountable and effective to serve the interests of the citizens"

It is illusory to suppose that all those representatives of democratically elected states' governments can themselves provide a transparent, democratic and effective political system by horse-trading in Brussels. That, not the Union's federal elements, is the "Brussels" which is insufficiently accountable and effective to serve the interests of European citizens in the way they should be served. The Union, with the federal elements it has already been given, has done far more for them than a purely inter-governmental system could have done. But it remains liable to stagnate or disintegrate unless it is made properly democratic and effective.

The key reforms are:

- to give the European Parliament the right to co-decide all the laws and the budget, instead of just half of them;
- to give the Commission adequate executive power, with full accountability to the Parliament and Council; and
- to make the Council a more normal house of the states,

holding its legislative sessions in public, generally voting by weighted majority, and with its executive role confined to those, mainly security-related matters that are not now within the Commission's fields of competence.

These reforms would go far to apply to the Union the principles of representative government.

Britain and a federal Union

British discussion of federalism has, in the past half-century, been lamentably superficial and inaccurate. Federalism has been regarded as a foreign idea. But the American founding fathers who invented the principle of democratic government at two levels were steeped in British political tradition; the Westminster parliament enacted the federal constitutions of Australia, Canada, India and Malaysia; and in the 1930s people such as William Beveridge, Lord Lothian, Lionel Robbins and Barbara Wootton led an influential federalist movement. The federal idea is a product of British democratic and empirical political philosophy.

Federalism has been equated with a "centralised superstate", distracting attention both from the need for joint government in fields that European governments can no longer manage separately and from the federal principle which provides for decentralisation in all other fields.





The case for a federal Europe

It has even been asserted that "federalism is dead". But the European Central Bank and the euro are among the most important federal elements established in the Union so far; the German foreign minister Joschka Fischer speaks for a federalist political class when he envisages a federal "centre of gravity" in the Union; and his view is widely supported in other member states.

"The federal idea is a product of British democratic and empirical political philosophy."

Not only is federalism alive, but a federal Union is as necessary for the British as for other Europeans. The economic, environmental and

security needs apply to us as they do to the others. The arguments for democratic federal institutions are at least as strong. For if the principles of liberal democracy, which the British did so much to develop, are not applied in the fields where states such as ours can no longer function effectively, democracy will be weakened as citizens come to realise that it cannot satisfy their needs.

If the British government promotes the key federal reforms, it will, given the support available in other member states, have a very good chance of success. Political discourse should rise above the level of slogans and give due weight to the benefits a federal Union could bring to our people.

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