

"From Confederacy to Federation -
Thoughts on the finality of European integration"

Speech by
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Fifty years ago almost to the day, Robert Schuman presented his vision of a "European Federation" for the preservation of peace. This heralded a completely new era in the history of Europe. European integration was the response to centuries of a precarious balance of powers on this continent which again and again resulted in terrible hegemonic wars culminating in the two World Wars between 1914 and 1945. The core of the concept of Europe after 1945 was and still is a rejection of the European balance-of-power principle and the hegemonic ambitions of individual states that had emerged following the Peace of Westphalia in 1648, a rejection which took the form of closer meshing of vital interests and the transfer of nation-state sovereign rights to supranational European institutions.

Fifty years on, Europe, the process of European integration, is probably the biggest political challenge facing the states and peoples involved, because its success or failure, indeed even just the stagnation of this process of integration, will be of crucial importance to the future of each and every one of us, but especially to the future of the young generation. And it is this process of European integration that is now being called into question by many people; it is viewed as a bureaucratic affair run by a faceless, soulless Eurocracy in Brussels - at best boring, at worst dangerous.

Not least for this reason I should like to thank you for the opportunity to mull over in public a few more fundamental and conceptional thoughts on the future shape of Europe. Allow me, if you will, to cast aside for the duration of this speech the mantle of German Foreign Minister and member of the Government - a mantle which is occasionally rather restricting when it comes to reflecting on things in public - although I know it is not really possible to do so. But what I want to talk to you about today is not the operative challenges facing European policy over the next few months, not the current intergovernmental conference, the EU's enlargement to the east or all those other important issues we have to resolve today and tomorrow, but rather the possible strategic prospects for European integration far beyond the coming decade and the intergovernmental conference.

So let's be clear: this is not a declaration of the Federal Government's position, but a contribution to a discussion long begun in the public arena about the "finality" of European integration, and I am making it simply as a staunch European and German parliamentarian. I am all the more pleased, therefore, that, on the initiative of the Portuguese presidency, the last informal EU Foreign Ministers' Meeting in the Azores held a long, detailed and extremely productive discussion on this very topic, the finality of European integration, a discussion that will surely have consequences.

Ten years after the end of the cold war and right at the start of the age of globalization one can literally almost feel that the problems and challenges facing Europe have wound themselves into a knot which will be very hard to undo within the existing framework: the introduction of the single currency, the EU's incipient eastern enlargement, the crisis of the last EU Commission, the poor acceptance of the European Parliament and low turn-outs for European elections, the wars in the Balkans and the development of a Common Foreign and Security Policy not only define what has been achieved but also determine the challenges still to be overcome.

Quo vadis Europa? is the question posed once again by the history of our continent. And for many reasons the answer Europeans will have to give, if they want to do well by themselves and their children, can only be this: onwards to the completion of European integration. A step backwards, even just standstill or contentment with what has been achieved, would demand a fatal price of all EU member states and of all those who want to become members; it would demand a fatal price above all of our people. This is particularly true for Germany and the Germans.

The task ahead of us will be anything but easy and will require all our strength; in the coming decade we will have to enlarge the EU to the east and south-east, and this will in the end mean a doubling in the number of members. And at the same time, if we are to be able to meet this historic challenge and integrate the new member states without substantially denting the EU's

capacity for action, we must put into place the last brick in the building of European integration, namely political integration.

The need to organize these two processes in parallel is undoubtedly the biggest challenge the Union has faced since its creation. But no generation can choose the challenges it is tossed by history, and this is the case here too. Nothing less than the end of the cold war and of the forced division of Europe is facing the EU and thus us with this task, and so today we need the same visionary energy and pragmatic ability to assert ourselves as was shown by Jean Monnet and Robert Schuman after the end of the Second World War. And like then, after the end of this last great European war, which was - as almost always - also a Franco-German war, this latest stage of European Union, namely eastern enlargement and the completion of political integration, will depend decisively on France and Germany.

Two historic decisions in the middle of last century fundamentally altered Europe's fate for the better: firstly, the USA's decision to stay in Europe, and secondly France's and Germany's commitment to the principle of integration, beginning with economic links.

The idea of European integration and its implementation not only gave rise to an entirely new order in Europe - to be more exact, in Western Europe - but European history underwent a fundamental about-turn. Just compare the history of Europe in the first half of the 20th century with that in the second half and you will immediately understand what I mean.

Germany's perspective in particular teaches a host of lessons, because it makes clear what our country really owes to the concept and implementation of European integration.

This new principle of the European system of states, which could almost be called revolutionary, emanated from France and her two great statesmen Robert Schuman and Jean Monnet. Every stage of its gradual realization, from the establishment of the European Coal and Steel Community to the creation of the single market and the introduction of the single currency, depended essentially on the alliance of Franco-German interests. This was never exclusive,

however, but always open to other European states, and so it should remain until finality has been achieved.

European integration has proved phenomenally successful. The whole thing had just one decisive shortcoming, forced upon it by history: it was not the whole of Europe, but merely its free part in the West. For fifty years the division of Europe cut right through Germany and Berlin, and on the eastern side of the Wall and barbed wire an indispensable part of Europe, without which European integration could never be completed, waited for its chance to take part in the European unification process. That chance came with the end of the division of Europe and Germany in 1989/90.

Robert Schuman saw this quite clearly back in 1963: "We must build the united Europe not only in the interest of the free nations, but also in order to be able to admit the peoples of Eastern Europe into this community if, freed from the constraints under which they live, they want to join and seek our moral support. We owe them the example of a unified, fraternal Europe. Every step we take along this road will mean a new opportunity for them. They need our help with the transformation they have to achieve. It is our duty to be prepared."

Following the collapse of the Soviet empire the EU had to open up to the east, otherwise the very idea of European integration would have undermined itself and eventually self-destructed. Why? A glance at the former Yugoslavia shows us the consequences, even if they would not always and everywhere have been so extreme. An EU restricted to Western Europe would forever have had to deal with a divided system in Europe: in Western Europe integration, in Eastern Europe the old system of balance with its continued national orientation, constraints of coalition, traditional interest-led politics and the permanent danger of nationalist ideologies and confrontations. A divided system of states in Europe without an overarching order would in the long term make Europe a continent of uncertainty, and in the medium term these traditional lines of conflict would shift from Eastern Europe into the EU again. If that happened Germany in particular would be the big loser. The geopolitical reality

after 1989 left no serious alternative to the eastward enlargement of the European institutions, and this has never been truer than now in the age of globalization.

In response to this truly historic turnaround the EU consistently embarked upon a far-reaching process of reform:

- In Maastricht, one of the three essential sovereign rights of the modern nation-state - currency, internal security and external security - was for the first time transferred to the sole responsibility of a European institution. The introduction of the euro was not only the crowning-point of economic integration, it was also a profoundly political act, because a currency is not just another economic factor but also symbolizes the power of the sovereign who guarantees it. A tension has emerged between the communitarization of economy and currency on the one hand and the lack of political and democratic structures on the other, a tension which might lead to crises within the EU if we do not take productive steps to make good the shortfall in political integration and democracy, thus completing the process of integration.

- The European Council in Tampere marked the beginning of a new far-reaching integration project, namely the development of a common area of justice and internal security, making the Europe of the citizens a tangible reality. But there is even more to this new integration project: common laws can be a highly integrative force.

- It was not least the war in Kosovo that prompted the European states to take further steps to strengthen their joint capacity for action on foreign policy, agreeing in Cologne and Helsinki on a new goal: the development of a Common Security and Defence Policy. With this the Union has taken the next step following the euro. For how in the long term can it be justified that countries inextricably linked by monetary union and by economic and political realities do not also face up together to external threats and together maintain their security?

- Agreement was also reached in Helsinki on a concrete plan for the enlargement of the EU. With these agreements the external borders of the future EU are already emerging. It is foreseeable that the European Union will have 27, 30 or even more members at the end of the enlargement process, almost as many as the CSCE at its inception.

Thus we in Europe are currently facing the enormously difficult task of organizing two major projects in parallel:

1. Enlargement as quickly as possible. This poses difficult problems of adaptation both for the acceding states and for the EU itself. It also triggers fear and anxiety in our citizens: are their jobs at risk? Will enlargement make Europe even less transparent and comprehensible for its citizens? As seriously as we must tackle these questions, we must never lose sight of the historic dimension of eastern enlargement. For this is a unique opportunity to unite our continent, wracked by war for centuries, in peace, security, democracy and prosperity.

Enlargement is a supreme national interest, especially for Germany. It will be possible to lastingly overcome the risks and temptations objectively inherent in Germany's dimensions and central situation through the enlargement and simultaneous deepening of the EU.

Moreover, enlargement - consider the EU's enlargement to the south - is a pan-European programme for growth. Enlargement will bring tremendous benefits for German companies and for employment. Germany must therefore continue its advocacy of rapid eastern enlargement. At the same time, enlargement must be effected carefully and in accordance with the Helsinki decision.

2. Europe's capacity to act. The institutions of the EU were created for six member states. They just about still function with fifteen. While the first step towards reform, to be taken at the upcoming intergovernmental conference and introducing increased majority voting, is important, it will not in the long term be sufficient for integration as a whole. The danger will then be that enlargement to include 27 or 30 members will hopelessly overload the EU's ability to absorb, with its old institutions and mechanisms, even with increased use of

majority decisions, and that it could lead to severe crises. But this danger, it goes without saying, is no reason not to push on with enlargement as quickly as possible; rather it shows the need for decisive, appropriate institutional reform so that the Union's capacity to act is maintained even after enlargement. The consequence of the irrefutable enlargement of the EU is therefore erosion or integration.

Fulfilling these two tasks is at the heart of the current intergovernmental conference. The EU has pledged to be able to admit new members by 1 January 2003. Following the conclusion of Agenda 2000, the aim now is to put in place the institutional preconditions for the next round of enlargement. Resolving the three key questions - the composition of the Commission, the weighting of votes in the Council and particularly the extension of majority decisions - is indispensable for the smooth continuation of the process of enlargement. As the next practical step these three questions now have absolute priority.

Crucial as the intergovernmental conference is as the next step for the future of the EU, we must, given Europe's situation, already begin to think beyond the enlargement process and consider how a future "large" EU can function as it ought to function and what shape it must therefore take. And that's what I want to do now.

Permit me therefore to remove my Foreign Minister's hat altogether in order to suggest a few ideas both on the nature of this so-called finality of Europe and on how we can approach and eventually achieve this goal. And all the Eurosceptics on this and the other side of the Channel would be well advised not to immediately produce the big headlines again, because firstly this is a personal vision of a solution to the European problems. And, secondly, we are talking here about the long term, far beyond the current intergovernmental conference. So no one need be afraid of these ideas.

Enlargement will render imperative a fundamental reform of the European institutions. Just what would a European Council with thirty heads of state and government be like? Thirty presidencies? How long will Council meetings actually last? Days, maybe even weeks? How, with the system of institutions that exists today, are thirty states supposed to balance interests, take decisions and then actually act? How can one prevent the EU from becoming utterly intransparent, compromises from becoming stranger and more incomprehensible, and the citizens' acceptance of the EU from eventually hitting rock bottom?

Question upon question, but there is a very simple answer: the transition from a union of states to full parliamentarization as a European Federation, something Robert Schuman demanded 50 years ago. And that means nothing less than a European Parliament and a European government which really do exercise legislative and executive power within the Federation. This Federation will have to be based on a constituent treaty.

I am well aware of the procedural and substantive problems that will have to be resolved before this goal can be attained. For me, however, it is entirely clear that Europe will only be able to play its due role in global economic and political competition if we move forward courageously. The problems of the 21st century cannot be solved with the fears and formulae of the 19th and 20th centuries.

Of course, this simple solution is immediately criticized as being utterly unworkable. Europe is not a new continent, so the criticism goes, but full of different peoples, cultures, languages and histories. The nation-states are realities that cannot simply be erased, and the more globalization and Europeanization create superstructures and anonymous actors remote from the citizens, the more the people will cling on to the nation-states that give them comfort and security.

Now I share all these objections, because they are correct. That is why it would be an irreparable mistake in the construction of Europe if one were to try to complete political integration against the existing national institutions and traditions rather than by involving

them. Any such endeavour would be doomed to failure by the historical and cultural environment in Europe. Only if European integration takes the nation-states along with it into such a Federation, only if their institutions are not devalued or even made to disappear, will such a project be workable despite all the huge difficulties. In other words: the existing concept of a federal European state replacing the old nation-states and their democracies as the new sovereign power shows itself to be an artificial construct which ignores the established realities in Europe. The completion of European integration can only be successfully conceived if it is done on the basis of a division of sovereignty between Europe and the nation-state. Precisely this is the idea underlying the concept of "subsidiarity", a subject that is currently being discussed by everyone and understood by virtually no one.

So what must one understand by the term "division of sovereignty"? As I said, Europe will not emerge in a political vacuum, and so a further fact in our European reality is therefore the different national political cultures and their democratic publics, separated in addition by linguistic boundaries. A European Parliament must therefore always represent two things: a Europe of the nation-states and a Europe of the citizens. This will only be possible if this European Parliament actually brings together the different national political elites and then also the different national publics.

In my opinion, this can be done if the European parliament has two chambers. One will be for elected members who are also members of their national parliaments. Thus there will be no clash between national parliaments and the European parliament, between the nation-state and Europe. For the second chamber a decision will have to be made between the Senate model, with directly-elected senators from the member states, and a chamber of states along the lines of Germany's Bundesrat. In the United States, every state elects two senators; in our Bundesrat, in contrast, there are different numbers of votes.

Similarly, there are two options for the European executive, or government. Either one can decide in favour of developing the European Council into a European government, i.e. the European government is formed from the national governments, or - taking the existing

Commission structure as a starting-point - one can opt for the direct election of a president with far-reaching executive powers. But there are also various other possibilities between these two poles.

Now objections will be raised that Europe is already much too complicated and much too intransparent for the citizen, and here we are wanting to make it even more complicated. But the intention is quite the opposite. The division of sovereignty between the Union and the nation-states requires a constituent treaty which lays down what is to be regulated at European level and what has still to be regulated at national level. The majority of regulations at EU level are in part the result of inductive communitarization as per the "Monnet method" and an expression of inter-state compromise within today's EU. There should be a clear definition of the competences of the Union and the nation-states respectively in a European constituent treaty, with core sovereignties and matters which absolutely have to be regulated at European level being the domain of the Federation, whereas everything else would remain the responsibility of the nation-states. This would be a lean European Federation, but one capable of action, fully sovereign yet based on self-confident nation-states, and it would also be a Union which the citizens could understand, because it would have made good its shortfall on democracy.

However, all this will not mean the abolition of the nation-state. Because even for the finalized Federation the nation-state, with its cultural and democratic traditions, will be irreplaceable in ensuring the legitimation of a union of citizens and states that is wholly accepted by the people. I say this not least with an eye to our friends in the United Kingdom, because I know that the term "federation" irritates many Britons. But to date I have been unable to come up with another word. We do not wish to irritate anyone.

Even when European finality is attained, we will still be British or German, French or Polish. The nation-states will continue to exist and at European level they will retain a much larger role than the Länder have in Germany. And in such a Federation the principle of subsidiarity will be constitutionally enshrined.

These three reforms - the solution of the democracy problem and the need for fundamental reordering of competences both horizontally, i.e. among the European institutions, and vertically, i.e. between Europe, the nation-state and the regions - will only be able to succeed if Europe is established anew with a constitution. In other words: through the realization of the project of a European constitution centred around basic, human and civil rights, an equal division of powers between the European institutions and a precise delineation between European and nation-state level. The main axis for such a European constitution will be the relationship between the Federation and the nation-state. Let me not be misunderstood: this has nothing whatsoever to do with a return to renationalisation, quite the contrary.

The question which is becoming more and more urgent today is this: can this vision of a Federation be achieved through the existing method of integration, or must this method itself, the central element of the integration process to date, be cast into doubt?

In the past, European integration was based on the "Monnet method" with its communitarization approach in European institutions and policy. This gradual process of integration, with no blueprint for the final state, was conceived in the 1950s for the economic integration of a small group of countries. Successful as it was in that scenario, this approach has proved to be of only limited use for the political integration and democratization of Europe. Where it was not possible for all EU members to move ahead, smaller groups of countries of varying composition took the lead, as was the case with Economic and Monetary Union and with Schengen.

Does the answer to the twin challenge of enlargement and deepening, then, lie in such a differentiation, an enhanced cooperation in some areas? Precisely in an enlarged and thus necessarily more heterogeneous Union, further differentiation will be inevitable. To facilitate this process is thus one of the priorities of the intergovernmental conference.

However, increasing differentiation will also entail new problems: a loss of European identity, of internal coherence, as well as the danger of an internal erosion of the EU, should ever larger areas of intergovernmental cooperation loosen the nexus of integration. Even today a crisis of the Monnet method can no longer be overlooked, a crisis that cannot be solved according to the method's own logic.

That is why Jacques Delors, Helmut Schmidt and Valéry Giscard d'Estaing have recently tried to find new answers to this dilemma. Delors' idea is that a "federation of nation-states", comprising the six founding states of the European Community, should conclude a "treaty within the treaty" with a view to making far-reaching reforms in the European institutions. Schmidt and Giscard's ideas are in a similar vein, though they place the Euro-11 states at the centre, rather than just the six founding states. As early as 1994 Karl Lamers and Wolfgang Schäuble proposed the creation of a "core Europe", but it was stillborn, as it were, because it presupposed an exclusive, closed "core", even omitting the founding state Italy, rather than a magnet of integration open to all.

So if the alternative for the EU in the face of the irrefutable challenge posed by eastern enlargement is indeed either erosion or integration, and if clinging to a federation of states would mean standstill with all its negative repercussions, then, under pressure from the conditions and the crises provoked by them, the EU will at some time within the next ten years be confronted with this alternative: will a majority of member states take the leap into full integration and agree on a European constitution? Or, if that doesn't happen, will a smaller group of member states take this route as an avant-garde, i.e. will a centre of gravity emerge comprising a few member states which are staunchly committed to the European ideal and are in a position to push ahead with political integration? The question then would simply be: when will be the right time? Who will be involved? And will this centre of gravity emerge within or outside the framework provided by the treaties? One thing at least is certain: no European project will succeed in future either without the closest Franco-German cooperation.

Given this situation, one could imagine Europe's further development far beyond the coming decade in two or three stages:

First the expansion of reinforced cooperation between those states which want to cooperate more closely than others, as is already the case with Economic and Monetary Union and Schengen. We can make progress in this way in many areas: on the further development of Euro-11 to a politico-economic union, on environmental protection, the fight against crime, the development of common immigration and asylum policies and of course on the foreign and security policy. In this context it is of paramount importance that closer cooperation should not be misunderstood as the end of integration.

One possible interim step on the road to completing political integration could then later be the formation of a centre of gravity. Such a group of states would conclude a new European framework treaty, the nucleus of a constitution of the Federation. On the basis of this treaty, the Federation would develop its own institutions, establish a government which within the EU should speak with one voice on behalf of the members of the group on as many issues as possible, a strong parliament and a directly elected president. Such a centre of gravity would have to be the avant-garde, the driving force for the completion of political integration and should from the start comprise all the elements of the future federation.

I am certainly aware of the institutional problems with regard to the current EU that such a centre of gravity would entail. That is why it would be critically important to ensure that the EU acquis is not jeopardized, that the union is not divided and the bond holding it together are not damaged, either in political or in legal terms. Mechanisms would have to be developed which permit the members of the centre of gravity to cooperate smoothly with others in the larger EU.

The question of which countries will take part in such a project, the EU founding members, the Euro-11 members or another group, is impossible to answer today. One thing must be clear when considering the option of forming a centre of gravity: this avant-garde must never

be exclusive but must be open to all member states and candidate countries, should they desire to participate at a certain point in time. For those who wish to participate but do not fulfil the requirements, there must be a possibility to be drawn closer in. Transparency and the opportunity for all EU member states to participate would be essential factors governing the acceptance and feasibility of the project. This must be true in particular with regard to the candidate countries. For it would be historically absurd and utterly stupid if Europe, at the very time when it is at long last reunited, were to be divided once again.

Such a centre of gravity must also have an active interest in enlargement and it must be attractive to the other members. If one follows Hans-Dietrich Genscher's tenet that no member state can be forced to go farther than it is able or willing to go, but that those who do not want to go any farther cannot prevent others from doing so, then the centre of gravity will emerge within the treaties. Otherwise it will emerge outside them.

The last step will then be completion of integration in a European Federation. Let's not misunderstand each other: closer cooperation does not automatically lead to full integration, either by the centre of gravity or straight away by the majority of members. Initially, enhanced cooperation means nothing more than increased intergovernmentalization under pressure from the facts and the shortcomings of the "Monnet Method". The steps towards a constituent treaty - and exactly that will be the precondition for full integration - require a deliberate political act to reestablish Europe.

This, ladies and gentlemen, is my personal vision for the future: from closer cooperation towards a European constituent treaty and the completion of Robert Schuman's great idea of a European Federation. This could be the way ahead!