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EUROPEAN POLICY BRIEF

Is there an escape from ‘Ever Closer Union’?

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The EU Treaty objective of establishing ‘an ever closer Union among the peoples of Europe’ means that European integration is a step by step process requiring the use of supranational institutions. It has never been popular with nationalists and was strongly rejected by David Cameron in his quest for a EU reform deal in 2015-16. However, the Brexit negotiations demonstrate that renouncing it will only create harm, whichever ‘leave’ scenario is retained. Ever closer union is also required in the field of Economic and Monetary Union to help the Euro resist new potential threats. In effect, Europe has no choice but to integrate further if it wants to keep its place in an ever more competitive global world.

INTRODUCTION

Few politicians or actors of European integration still dare to refer to the first recital of the preamble to the Treaty of Rome, which has been reproduced in all succeeding EU treaties: ‘Determined to establish the foundations of an ever closer union among the peoples of Europe’. On three occasions David Cameron tried to have the UK escape its implications but, ironically, the Brexit talks tend to demonstrate that the ‘ever closer

union’ is very difficult to renounce. At the same time, those countries that have adopted the Euro must admit that further integration is needed if the common currency is to survive a new crisis.

This European Policy Brief will first try to explain why this little sentence is important in the EU process. We will then look at how it fits with the Brexit saga on the one hand and the deepening of the Eurozone on the other. In the end, ever closer union is not just a recipe to prevent wars among European countries; it is also the only way for Europe to compete in today’s multipolar world.

A PROCESS, NOT A PROJECT

Why is the reference to an ‘ever closer union’ important? As the late Belgian Ambassador to the EU Philippe de Schoutheete used to say, this little sentence contains two fundamental principles: first, that the European construction is a process, not a specific project; then that the union is between peoples and not (only) between states. On the second point, Jean Monnet had made it clear: ‘*we bring union among people, not just cooperation among states*’, hence the legitimacy of the supranational dimension of the treaty.¹

As for the concept of an ‘ever-closer union’, it means that the European Union is defined not

by its finality but by its movement: we do not commit to a federal Europe or to the United States of Europe. We are only committed to getting gradually closer to each other. Scalded by the illusory promises of the 1949 Hague Congress and the failure of the European Defence Community in 1953, the founding fathers relied on the wisdom of Jean Monnet and Robert Schuman, according to whom *‘Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.’*²

STEP BY STEP

It is the success of the European Coal and Steel Community that allowed the creation of the European Economic Community. To finally complete the internal market, the Rome treaty was adapted for the first time after 25 years. It is the Single European Act that made possible the creation of a political union in Maastricht. And so on, little by little - and not ‘according to a single plan’ - the Union became ‘ever closer’, not only between its original members, but by integrating the majority of the states on the continent.

In the enthusiasm of the new millennium, a ‘Constitutional’ treaty was concluded. Even if it was not a constitution, it frightened many citizens: the treaty was rejected by referendums in two of the founding countries, France and the Netherlands. This gave birth to a crisis that even today we have not truly overcome.

Fortunately, EU leaders returned quickly to the method of small steps. While adding a lot of substance to the EU treaty basis and taking over all the institutional innovations of the famous Constitution, the 2007 Lisbon Treaty was presented as a modest complement to existing treaties, merely a new stage in the integration process. ‘A new stage’ means that it is not

finished; but as for the finality, the Lisbon treaty is not more precise than the Treaty of Rome.

THE ILLUSIONS OF BREXIT

This step by step approach to the European construction gradually alienated British Prime Minister David Cameron. Already in his famous speech at London's Bloomberg headquarters in January 2013, he had asked for the UK to be allowed to escape the commitment to an ever closer union. He repeated his claim after having vainly opposed the appointment of Jean Claude Juncker as president of the Commission in 2014, to show his disdain for the procedure of the *‘Spitzenkandidaten’*. He later made it one of the four conditions to encourage him to vote Remain in the referendum he had imprudently planned for June 2016.

To appease Cameron and complete the February 2016 agreement which was supposed to avoid Brexit, the European Council declared that the reference to an ‘ever closer union’ cannot prevent different Member States *‘to take different paths of integration or force all Member States to aspire to a common destiny’*. As we know, this concession of the 27 did not prevent the failure of the referendum on Brexit. But the reality of the negotiation on the withdrawal of the UK showed also that this concession was in fact poorly thought out.

One of the lessons that can already be drawn from the painful exercise started nine months ago is that it is not possible to take *‘different paths of integration’*! One has to be in or out. There is no ‘cherry picking’ when it comes to the common market and its four freedoms. Theresa May had to admit it from the outset in the letter she sent to the EU 27 to launch the article 50 procedure. The British want to recover their sovereignty, escape from the legal remit of the European Court of Justice, control immigration, and conclude trade deals with third countries.

But they can only achieve this by renouncing much of what has made their country prosperous in the last fifty years.

All efforts by London until now to define a new relationship have failed to demonstrate that it will not bring harm. This is why it is so difficult for the British government to agree on any scenario for the future: staying in the internal market as a non-member deprives the country from participating in the decisions; staying in the customs union does not allow it to conclude deals with third countries; and leaving both only creates chaos.

According to an internal report prepared by the British government and leaked at the beginning of February, the U.K. will be worse off after leaving the European Union in every likely scenario, even those in which it stays in the internal market. The report predicts that almost all sectors of the economy would be negatively affected in all the scenarios, with the hardest hit including manufacturing, food and drink, cars and retail. Only the agricultural sector would not be adversely affected in a no-deal Brexit.

The 27 remaining EU members are impatient to receive, hopefully before the spring, a clear UK proposal for the future. But the probability that any proposal will be unrealistic or unfeasible is very high. It is revealing that the only proposals already on the table are requests for exceptions to Brexit: for citizens on both sides, for EU research programmes, aviation, nuclear issues, cooperation in counterterrorism, defence policy... Furthermore, the ambiguities in the agreement concluded in December on the 'regulatory alignment' between Northern Ireland and the Republic of Ireland are another example of how difficult it will be to renounce the unnerving implications of the *acquis communautaire*.

THE EVER CLOSER MONETARY UNION

The most dramatic illustration of an ever closer Union being inescapable is the current debate on the further integration of the Eurozone. When the provisions on Economic and Monetary Union were introduced in the Maastricht Treaty in 1992, the negotiators, while ambitious on the goal - that of creating a single currency - had to be cautious about the scope of solidarity commitments.

But these precautions were challenged by the 2008 financial crisis. To help Greece, Ireland and Portugal, a bailout system was required and to create the 'European Stability Mechanism' (ESM) the treaty itself had to be amended. The president of the European Central Bank, whose original mandate was merely to fight a non-existent inflation, was finally allowed to do 'whatever it takes' to save the Euro.

This progress has been made 'in the storm' described by Herman Van Rompuy in his wonderful little book on his tenure at the helm of the Union. On top of this, the president of the European Council then encouraged the development of a 'banking Union': the European Central Bank was entrusted with the supervision of the so-called systemic banks and set up a resolution fund for bankrupt banks financed by the banks themselves.

But economists agree that what has been decided so far is not enough for the Euro to be permanently safe from crises. The 'Banking Union' needs to be completed by pooling the national 'deposit guarantee schemes' in the event of financial institutions going bankrupt. There is also a need for greater integration of national fiscal policies and a centralisation of financial decision-making power, with the ESM becoming a EU agency and the creation of an 'EU finance minister' position.

In other words, closer union among the members of the Eurozone is needed in one of the most sensitive areas of national sovereignty: fiscal policy. A negotiation will soon begin on this subject. Even if the result is not in line with the ambitions of the federalists or the strongest supporters of a ‘two-speed Europe’, it will demonstrate that the Union must be ever closer among the members of the Euro area, simply to prevent the risk of a crisis that the single currency might not survive.

EUROPE AS A POLE IN THE MULTIPOLAR WORLD

Both examples above demonstrate that the little sentence on ‘an ever closer union’ does not only mean, as at the time of the Rome treaty, that the peoples of Europe have renounced to go to war against each other and that it is thus obsolete. On the contrary, its present scope is much larger than originally envisaged. In today's world, the peoples of Europe are no longer masters of the universe. They are, together, only one pole among others of the global world. It is only by

sticking together, and by coming ever closer, that they will still be able to defend their interests against the established or emerging powers of the other continents.

It will be very difficult, of course, to get this message out in the tabloids, or to convince a country that has never accepted the loss of sovereignty involved in EU membership to renounce the opportunity to regain it. But, unfortunately for our British friends, there is no third way.

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